Artisan International Value Strategy

QUARTERLY
Commentary

As of 31 December 2023

Investment Results (% USD)

As of 31 December 2023	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
			Average Annual Total Returns				
Composite — Gross	**10.66**	**24.19**	**24.19**	**11.25**	**13.68**	**8.05**	**11.71**
Composite — Net	**10.41**	**23.06**	**23.06**	**10.23**	**12.64**	**7.06**	**10.67**
MSCI EAFE Index	10.42	18.24	18.24	4.02	8.16	4.28	6.01
MSCI All Country World ex USA Index	9.75	15.62	15.62	1.55	7.08	3.83	6.22

Annual Returns (% USD) Trailing 12 months ended 31 December

	2019	2020	2021	2022	2023
Composite — Net	**24.52**	**8.75**	**17.03**	**-7.00**	**23.06**

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.

The Artisan International Value Strategy increased by 23.06% (net) in 2023 (all returns in USD unless state otherwise). In comparison, the benchmark MSCI EAFE (Europe, Australia, Far East) Index increased by 18.24%. Since the inception of the portfolio back in 2002, the average annual total return is 10.67% (net).

Investing Environment

"Typically a major market movement runs so far that the amateur in speculation forgets that an opposite trend has ever been known. More than a slight rise in money rates is necessary to kill a real bull market."—The Art of Speculation, Philip L. Carret

The investing environment in 2023 was much better than the operating environment. In the United States, for example, the S&P 500® Index increased by 26.3% while 2023 earnings for the companies in the index are forecast to grow by less than 1%. Valuations are up.

In Q4 alone, the index rallied 12%, fueled by hope that the U.S. Federal Reserve will reverse course and begin lowing interest rates in 2024. Apparently, even the more than slight rise in interest rates over the last two years has failed to kill the bull market.

In local currency, stock markets in developed countries outside the US increased by 5% during the quarter as measured by the MSCI EAFE Index. But with lower interest rates expected in the US, the dollar declined against most currencies. As a result, in dollars, stock markets in foreign developed countries increased more than 10% measured by the same index. Stocks in the MSCI Emerging Markets Index increased by over 5% in local currency and almost 8% in dollars.

Weakness was notable in China, where the MSCI China Index in dollars declined by 4% during the quarter and by 11% for the year. China's economy looks sluggish, and sentiment is deteriorating as the country increasingly moves toward a centrally planned economy and away from some of the free-market practices China embraced in prior decades.

Investopedia defines a centrally planned economy: "Central planning is frequently associated with Marxist-Leninist governments such as the Soviet Union, North Korea and East Germany. For most of their history, market activity was extremely limited in these countries, and the government directed economic activity through state-owned enterprises."

Many equities in China now trade at very low valuations.

Portfolio Discussion

The largest positive impact on returns in Q4 came from the same three companies that have driven returns all year: Samsung Electronics, UBS and ABB. Remarkably, over the last twelve months, nearly all 10 of the portfolio's largest investments posted significant returns. In dollars, Samsung Electronics was up 35%, Novartis was up 23%, Danone was up 28%, UBS was up 71%, ABB was up 50%, Safran was up 42%, HCL was up 47%, RELX was up 46%, and Holcim was up 59%. Certainly, other holdings increased, and currency made a significant contribution (and a few holdings did not do so well). But the main point is that it is rare for the portfolio's largest investments to all do well at the same time.

In aggregate, the revenue and operating profit for these businesses, excluding UBS (a bank should be measured on book value), should amount to a little over $385 billion and $44 billion, respectively, in 2023, when final figures are reported. That's down from over $415 billion and $70 billion in 2022.

That is not the type of outcome we prefer and certainly not what one would expect to drive a significant increase in market value. We want to own more profit over time. However, there are a couple of important considerations. First, Samsung is suffering from a cyclical downturn. And while that hurts profits today, we expect Samsung's business to improve in 2024 and that revenue will grow as we get to the positive side of the cycle, eventually surpassing the level recorded in 2022. Second, Novartis de-merged its generics business called Sandoz. The revenue and profit from Sandoz are not included in the 2023 figures, but we retain our ownership of Sandoz, which trades at a market capitalization of more than $13 billion.

UBS is indeed a special case. In 2023, the company's management team led by Chairman Colm Kelleher created significant value with the acquisition of Credit Suisse. The scale achieved in this acquisition creates an unrivaled operator in the wealth management business. It will take a couple of years for the company to properly integrate the operations of Credit Suisse, but we hope when that is done Kelleher does another exceptional deal.

The equities that did not do well in 2023 include Bayer AG, Nokia and CNH Industrial.

You will not see the name Bayer in our disclosures as the shares owned represent less than 1% of the portfolio. However, we believe it is important to report our mistakes. And this investment was a mistake, and not one that we made once. This is the second time we have lost significant value investing in this company. The culprit is leverage.

"There are only three ways a smart person can go broke: Liquor, ladies and leverage."— Charlie Munger

The leverage incurred in the case of Bayer is only partially from standard sources like bonds and bank loans. In this case, the company has significant legal liabilities. And while the legal problems of Bayer have been around for some time, this year they got worse. When we invested for a second time, we did so because we estimated the company's litigation costs were under control and the share price was undervaluing the company's three main businesses. A new CEO came in to drive efficiency throughout the business, and the prospect of creating value at this conglomerate was and remains a logical outcome.

But we were wrong. The liabilities were not put to rest, and new ones showed up that defy logic. The American legal system is a weapon of mass commercial destruction. Novel legal arguments against corporations and a robust and growing litigation finance industry are causing what the insurance industry calls social inflation—more lawsuits at higher payouts. We believe there is significant abuse within the legal system and that incentives are misaligned with what's best for society. And Bayer, as a German corporation, is an easy target for American lawyers. We think litigation finance and the overreach of the legal industry is bad for the American economy. But it is a real cost of doing business in America. By no means are legal problems the only issues at Bayer, but they are certainly the main driver of the stock's 36% share price decline during the year.

Nokia, in fact, is unlevered and well managed. However, that was not enough to halt a 25% decline in the share price. The majority of the decline took place after the company lost a significant contract to one of its largest customers, AT&T. Nokia provides telecommunications equipment to large service providers like AT&T and is a very well-run company. Unfortunately, one of its competitors decided to compete on price rather than on capability, leading to the loss of a blue-chip contract. The shares are valued at 10.5X earnings.

CNH Industrial is one of the world's largest providers of agricultural equipment. The company mainly competes with Deere. Deere trades at 14X earnings while CNH trades at 7X earnings. Deere is without question the leader in the market and a better run company with better technology, but we believe the valuation disparity is too high and the absolute valuation of CNH is too low. The share price of both companies has declined as farm incomes have fallen. The expectation is that lower farm incomes lead to lower equipment demand. The share price declined by 22%.

Perspective

At Artisan International Value, we aim to invest in a superior group of companies at attractive prices with the objective of growing purchasing power. When asked how we are positioned, this is how we respond:

Exhibit 1: Top 10 Holdings

Shares Owned	Name of Company	Market Value
35,464,196	Samsung Electronics Co Ltd	$2,001,294,505
48,816,379	UBS Group AG	$1,514,901,007
14,544,376	Novartis AG	$1,467,666,835
21,761,993	Danone SA	$1,409,737,249
16,982,152	Arch Capital Group Ltd	$1,261,264,429
27,127,154	ABB Ltd	$1,203,070,976
60,089,426	HCL Technologies	$1,058,684,502
24,291,372	RELX PLC	$962,808,957
17,211,389	Unilever PLC	$833,662,886
4,734,475	Safran SA	$833,437,411
		$12,546,528,756

Source: Artisan Partners. As of 31 Dec 2023.

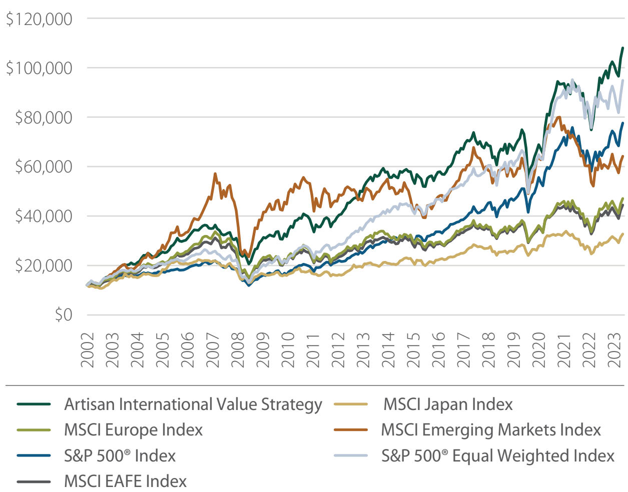
That is where capital is invested. All wealth creation is ultimately linked to commerce or the ability to generate a stream of cash flow. Hence, the underlying economics of these businesses is what will create or destroy value over a long period of time, no matter what the short-term movements are in the stock market.

We are often asked questions about "exposure," or how we are positioned for a bull or a bear market, or why we are over or underweight a particular geography. Those questions remind us of one of Clint Eastwood's lines in the movie *Million Dollar Baby*:

"Okay, you did two things wrong. First, you asked a question, and second, you asked another question."

It is outside our thought process to answer those questions. They presume that one somehow knows the future direction of the stock market and can move billions of dollars to take advantage of an expected change. That's the role of speculative traders, not wealth-building investment professionals. In fact, that is the central point. We do not think about our efforts as creating exposure, or positioning for some big change or even selling an investment product. We are diligent investors. Our objective is to create wealth—to build purchasing power. That is not a nuanced difference. Consider the following:

Exhibit 2: Hypothetical Growth of $10,000 in the Artisan International Value Strategy Since Inception
Growth of $10,000



Source: eVestment/MSCI/S&P. As of 31 Dec 2023. Growth of $10,000 assumes that all dividend and capital gain distributions were reinvested. It does not take into account sales charges or the effect of taxes. The Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite, and hypothetical returns are net of fees. **Results are not indicative of future performance.**

Exhibit 2 plots the performance of the Artisan International Value Strategy relative to a series of indices since 2002. It is curious that the equal weighted S&P 500® Index has outperformed the market capitalization weighted S&P 500® Index. That surprised us. Given the market's focus on large technology growth stocks, it would seem implausible that if you had equal weighted your investments across 500 American companies you would outperform an index significantly driven by what is now referred to as the Magnificent Seven: Alphabet, Amazon, Apple, Meta, Microsoft, Nvidia and Tesla. Perhaps you have seen an advertisement for the MAGS ETF?

But more to the point, the Artisan International Value Strategy at this distinct point in time (and this is a point-in-time reference) has outperformed the S&P 500® Index over the last 21 years. Here again, given the current popularity of large American tech stocks, it would seem unlikely that a portfolio that invests outside the US, where none of the Magnificent Seven reside, could have provided a better return. Remember, foreign economies grow slower than the US, people are not as wealthy, and political structures are generally less friendly to business and markets. The movement in exchange rates creates further complications given that companies outside the US do not earn profits in dollars. The increased complexity, slower growth and relative lack of foreign growth stocks are the reasons why the MSCI EAFE, European and Japanese Indices returns (exposure) are at the bottom of the chart.

Yet the complexity of international markets scares off the uninitiated, creating great opportunity for a disciplined investor. Of course, that concept is not confined to investing outside the US. In any asset class, you will find a key difference between investors that are focused on earning money *for* the client and the exposure type products designed to earn money *from* the client.

That is why questions matter. Rather than thinking about exposure or positioning, we prefer to think about the businesses in which capital is invested. What are the prospects of those businesses, and, importantly, what price do we have to pay relative to the value of those prospects? Those are the important questions to ask, and the ones we will work hard to answer in these letters or in person. If the answers are satisfactory, you can look forward to a larger cake at your next birthday party.

Exposure can be secured cheaply and easily via one of Wall Street's unthinking index or ETF products. With stocks, interest rates and currencies constantly moving up and down, it is easy to get pulled into a narrative promoting a need for constant change and to be presented investment products to serve that need. We focus on what matters—not a constant jockeying for position but rather investing in businesses with the use of a methodical and rigorous long-term approach.

Thank you for your support.

N. David Samra

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 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. 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. References to individual security performance relate to a representative account in the composite. Individual holding periods may differ.

For the purpose of determining the portfolio's holdings, securities of the same issuer are aggregated to determine the weight in the Strategy. The holdings mentioned above comprised the following percentages of a representative account within the Artisan International Value Strategy Composite's total net assets as of 31 Dec 2023: Samsung Electronics Co Ltd 6.4%, UBS Group AG 4.8%, Novartis AG 4.7%, Danone SA 4.5%, Arch Capital Group Ltd 4.0%, ABB Ltd 3.8%, HCL Technologies 3.4%, RELX PLC 3.1%, Safran SA 2.7%, Nokia Oyj 1.4%, CNH Industrial NV 1.0%, Holcim AG 2.2%, Unilever PLC 2.7%, Bayer AG <1.0%. Securities named in the Commentary, but not listed here are not held in the portfolio as of the date of this report.

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 certain securities which lack applicable attributes, such as private securities. Artisan Partners 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.

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. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. MSCI China Index captures large and mid-cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g., ADRs). MSCI Emerging Markets Index measures the performance of emerging markets. The MSCI Europe Index captures large and mid-cap representation across 15 Developed Markets countries in Europe. MSCI Japan Index measures the performance of the large- and mid-cap segments of the Japanese market. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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.

The S&P 500® ("Index") is a product of S&P Dow Jones Indices LLC ("S&P DJI") and/or its affiliates and has been licensed for use. Copyright © 2024 S&P Dow Jones Indices LLC, a division of S&P Global, Inc. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P® is a registered trademark of S&P Global and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). None of S&P DJI, Dow Jones, their affiliates or third party licensors makes any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and none shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

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.

This summary represents the views of the portfolio manager as of 31 Dec 2023. Those views and portfolio holdings are subject to change and Artisan Partners disclaims any obligation to advise investors of such changes. The discussion of portfolio holdings does not constitute a recommendation of any individual security.

Price-to-Earnings (P/E) ex-Cash is a valuation ratio of a company's current share price excluding cash holdings compared to its per-share earnings.

This material is provided for informational purposes without regard to your particular investment needs and 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.

Artisan Partners Limited Partnership (APLP) is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Artisan Partners UK LLP (APUK) is authorized and regulated by the Financial Conduct Authority and is a registered investment adviser with the SEC. APEL Financial Distribution Services Limited (AP Europe) is regulated by the Central Bank of Ireland. APLP, APUK and AP Europe are collectively, with their parent company and affiliates, referred to as Artisan Partners herein. Artisan Partners is not registered, authorised or eligible for an exemption from registration in all jurisdictions. Therefore, services described herein may not be available in certain jurisdictions. This material does not constitute an offer or solicitation where such actions are not authorised or lawful, and in some cases may only be provided at the initiative of the prospect. Further limitations on the availability of products or services described herein may be imposed.

This material is only intended for investors which meet qualifications as institutional investors as defined in the applicable jurisdiction where this material is received, which includes only *Professional Clients* or *Eligible Counterparties* as defined by the Markets in Financial Instruments Directive (MiFID) where this material is issued by APUK or AP Europe. This material is not for use by retail investors and may not be reproduced or distributed without Artisan Partners' permission.

In the United Kingdom, issued by APUK, 25 St. James's St., Floor 3, London SW1A 1HA, registered in England and Wales (LLP No. OC351201). Registered office: Reading Bridge House, Floor 4, George St., Reading, Berkshire RG1 8LS. In Ireland, issued by AP Europe, Fitzwilliam Hall, Fitzwilliam Pl, Ste. 202, Dublin 2, D02 T292. Registered office: 70 Sir John Rogerson's Quay, Dublin 2, D02 R296 (Company No. 637966).

Australia: This material is directed at wholesale clients only and is not intended for, or to be relied upon by, private individuals or retail investors. Artisan Partners Australia Pty Ltd is a representative of APLP (ARBN 153 777 292) and APUK (ARBN 603 522 649). APLP and APUK are respectively regulated under US and UK laws which differ from Australian laws and are exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act 2001 in respect to financial services provided in Australia.

Canada: This material is distributed in Canada by APLP and/or Artisan Partners Distributors LLC, which conduct activities in Canada under exemptions from the dealer, portfolio manager and investment fund manager registration requirements of applicable Canadian securities laws. This material does not constitute an offer of services in circumstances where such exemptions are not available. APLP advisory services are available only to investors that qualify as "permitted clients" under applicable Canadian securities laws.

For Institutional Investors – Not for Onward Distribution

ARTISAN PARTNERS