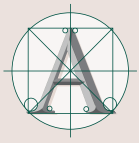

Artisan International Fund

QUARTERLY
Commentary

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

As of 30 September 2023

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

Michael Luciano
Associate Portfolio Manager

Investment Results (%)

			Average Annual Total Returns				
As of 30 September 2023	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	**-4.82**	**3.97**	**21.79**	**-0.25**	**2.36**	**3.17**	**7.71**
Advisor Class: APDIX	**-4.77**	**4.12**	**21.99**	**-0.11**	**2.52**	**3.31**	**7.76**
Institutional Class: APHIX	**-4.76**	**4.16**	**22.04**	**-0.02**	**2.60**	**3.41**	**7.94**
MSCI EAFE Index	-4.11	7.08	25.65	5.75	3.24	3.82	4.58
MSCI All Country World ex USA Index[1]	-3.77	5.34	20.39	3.74	2.58	3.35	4.79

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
Semi-Annual Report 31 Mar 2023[1]	1.18	1.05	0.96
Prospectus 30 Sep 2022[2]	1.20	1.05	0.97

[1]Unaudited, annualized for the six-month period. [2]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

Lingering inflation and high interest rates dampened growth opportunities across developed markets in Q3. Hawkish comments from the Fed, the prospect of another federal government shutdown, labor strikes and higher oil prices added to the negative sentiment in the US. In its September policy meeting, the Fed kept the target range for the federal funds rate at a 22-year high of 5.25% to 5.50%, following a 25bps hike in July, but signaled it will likely keep rates high for longer through 2024. The increased expectation of higher future rates helped push 10-year Treasury yields higher, reaching levels last seen in 2007.

Economies in Europe faced similar challenges with stubbornly high inflation and continued central bank rate increases. However, unlike the resilient economic growth seen in the US so far this year, economies in the UK and euro area have delivered subdued GDP growth this year. As a result of mounting interest rates, many euro area banks found that loan and mortgage demand weakened in Q3. At the same time, rigorous stress test results reaffirmed the relative strength of the banking sector compared with previous years. On a positive note, the European Commission conducted a third round of joint gas purchases in September, a program created after Russia's invasion of Ukraine to boost the diversification of EU gas supplies and help match demand with supply. Largely as a result of the program, natural gas storage caverns are at 93% capacity—unusually full—going into the fall and winter.

In China, the government added new stimulus to help the struggling property market. To entice more people to buy homes, Beijing cut mortgage rates further and reduced minimum down payments for purchases in the largest cities. In addition, financial authorities allowed local governments to lower minimum down payments from 30% to 20% for first-time homebuyers and from 40% to 30% for second-time buyers. In a positive sign, the Caixin China General Manufacturing Purchasing Managers' Index increased to 51.0 in August from 49.2 in July, beating analysts' forecasts and marking the highest score since February. A reading below 50 indicates contraction, while above 50 means expansion.

Elsewhere in Asia, Japan continued on a positive growth trajectory this quarter, as increases in both exports and retail sales added to an improving reflation story. However, average cash earnings, which measures changes in employment income, continued to decelerate during the period, a potential headwind for future consumption.

Portfolio Activity

While the MSCI EAFE Index and the MSCI ACWI ex USA Index ended down this quarter, the portfolio fell further than both. Overall, positive currency and sector allocation effects could not overcome the negative effects of stock selection.

In consumer discretionary, our luxury holdings were challenged by waning post-COVID spending and a weakening macroeconomic environment in some regions. Slowing growth and lower consensus estimates for 2024 earnings pushed share prices for Swiss luxury firm Richemont lower. Investors became concerned about the company's weaker-than-expected sales in the US in particular, which accounts for approximately 19% of total revenues. In addition, Richemont's chairman commented that inflation was negatively affecting demand in Europe, which further pressured luxury goods share prices. Shares of LVMH sold off in similar fashion. Its Q2 results showed a 1% drop in US sales, even though total sales were in line with estimates.

Our holdings in consumer staples also detracted from relative performance. Carlsberg's share price declined after the Russian state expropriated Baltika Breweries, a property it had owned since 2008. Officials in Moscow appointed a new management team at the subsidiary, effectively taking control of the operation. Carlsberg was apparently in the process of selling Baltika to a buyer it had identified earlier in the year when the seizure occurred. The Russian brewing company constituted less than 10% of Carlsberg's overall revenues in 2021. Similarly, other Western companies, such as Danone and Société Générale, have also lost property in Russia since the war in Ukraine started. Overall, we like Carlsberg's pricing power, particularly in its developed markets, and its growth profile in emerging markets. Our other premium brewer, Heineken, also stumbled this quarter. Its shares fell after it missed quarterly market estimates for organic volume growth, revenue growth and operating earnings. The Dutch beer maker lowered its full-year earnings outlook for 2023 citing slower-than-anticipated volume growth in Asia Pacific. While we recognize the near-term strain of elevated, yet moderating, inflation, we appreciate Heineken's opportunities to capitalize on premiumization trends over the long term, especially in emerging markets where the margins are typically higher and the demand is increasing.

After several months on the sidelines, energy prices returned to the macro stage, affecting stocks globally. The portfolio's underweight position in the energy sector detracted from relative performance as oil and natural gas prices rose sharply, pushing energy stock values higher. In 2022, OPEC+ countries significantly limited supplies of oil in order to support prices, improve revenues and recoup pandemic losses. Then, in May of this year, Saudi Arabia and Russia agreed to extend supply cuts from July through December. At the same time, global demand increased while inventories fell to a 13-month low, according to the International Energy Agency. Unlike previous years, North American oil companies have refrained from increasing capacity as high inflation and interest rates have made operating rigs more expensive. Instead, companies have opted for share buybacks and dividends, effectively choosing capital efficiency over production. Shares of SLB, the portfolio's largest investment in the sector, jumped almost 17% after it announced a five-year contract to help digitally transform the geophysical operations of Petrobras, one of the largest oil companies in the world.

Lastly, the portfolio's below-benchmark weighting in Japan, as well as its holdings in the region, hurt relative performance. While rising prices and monetary tightening have caused volatility and an economic slowdown in most other developed markets, inflation has been a boon for Japan. For more than three decades, its economy has suffered from the negative effects of chronic deflation, much of it tied to structural issues such as an aging population. Now, however, relatively mild inflation has led to higher growth and profits for Japanese corporations, and investors have taken notice. Year to date, both the TOPIX and Nikkei 225 Indices have outperformed the MSCI EAFE Index. Our holdings in Japan added to our relative weakness this quarter as shares of drug maker Daiichi Sankyo finished lower despite reporting positive fundamentals. The biotech company produces a line of antibody therapies that deliver chemotherapy agents directly to cancer cells, making chemo both more effective and less damaging to surrounding healthy cells. The company is trialing one such therapy on lung cancer patients. Preliminary results have been positive, and the results of the next trial are expected to wrap up by the year end. In the meantime, investor uncertainty created stock price volatility this quarter. We remain optimistic.

Even though Daiichi Sankyo underperformed, stock selection overall in the health care sector added to relative returns in Q3. Shares of global immunology company Argenx leaped more than 40% in a span of seven trading days in July after it announced better-than-expected top-line results from its Phase 3 ADHERE clinical trial for Vyvgart Hytrulo. The treatment for generalized myasthenia gravis (gMG), a debilitating autoimmune disease, reduced the risk of relapse by 61% versus a placebo. Argenx has shown an ability to leverage its R&D to develop multiple drugs from a single body of research, or what we view as a pipeline within a drug, providing sustainable growth characteristics for its shareholders.

Also, within health care, our investment in Novo Nordisk jumped in August on new data showing its hit obesity drug, Wegovy, cut the risk of major cardiovascular events by 20% over a five-year period. The result could provide the company with a valuable competitive advantage over other weight loss drugs that would be difficult to copy. The company is hopeful the new data could help lead to label expansion, encourage cardiologists to prescribe Wegovy and potentially lead to Medicare and Medicaid coverage in the US. If this were to happen, we believe an estimated 25 million more patients could be brought into the market. In September, shares climbed even higher on Novo Nordisk's limited launch of Wegovy in the United Kingdom, its fourth European market. With the company still ramping up production to meet the overwhelming demand, Novo Nordisk will limit supplies during the rollout. Driven by its innovation in diabetes and obesity treatment, Novo Nordisk's stock price has more than tripled since the start of 2019. Last month, Novo Nordisk's market cap surpassed $400 billion, becoming Europe's most valuable company.

The portfolio's below-benchmark weighting in information technology also increased relative performance. Rising 10-year Treasury yields and investors' defensive outlook pressured equities with longer dated cash flows, including information technology stocks. We continue to consider companies in this sector that exhibit sustainable growth characteristics and can be purchased for a reasonable price, particularly those that align with our investment themes.

Finally, our position in UBS was the best relative performer as the benefits from its acquisition of Credit Suisse came into sharper focus for many investors. In August, UBS' share price surged after it added $29 billion in earnings, the largest quarterly profit ever recorded for a bank. Much of this amount reflected the fact that UBS paid $3.4 billion for Credit Suisse, a small fraction of its tangible book value, a situation known as negative goodwill. During the quarter, UBS also added $16 billion in assets to its greatly expanded wealth management unit, one that provides the firm with a relatively steady source of lucrative fee income that could counterbalance a potential cyclical slowdown in lending. As it continues to integrate Credit Suisse, UBS expects to reduce another $10 billion in costs through the end of 2026. In our view, the merger provided UBS with the capital needed to cover Credit Suisse's liabilities while allowing it to cherry-pick the most attractive parts of the company and sell off the parts that don't fit its business strategy. Gaining a dominant position in local banking along with greatly increasing its capabilities in asset management have been the biggest prizes so far. Given its defensive profile, capital return prospects and growing wealth management business, we think UBS is undervalued.

Positioning Activity

As central banks continue their mission to bring inflation under control, we continued to invest in industry leaders with high-quality assets and strong capital allocation practices as well as those that are well positioned for a transitioning business cycle. Within each of our investment themes, we sought out companies that can capitalize on secular trends, while avoiding stocks that face steep cyclical or macroeconomic risks.

Within our infrastructure theme, we added to our positions in North American railroads that are poised to profit from restocking after the post-COVID buying surge subsides. Within our financial services theme, we added to the portfolio's allocation to European financial firms with strong balance sheets that are well positioned for a potential flight to quality as the economy slows. We also leaned into our environment theme by backing energy transition leaders. We also sought to avoid stocks that face steep cyclical or macroeconomic risks in our technology and demographics themes.

In this context, we reestablished a position in Canadian National Railway, a company that has shown pricing power and productivity and one that owns key rail linkages between both Canadian ports and the Gulf of Mexico. We believe this stock will re-rate as retail inventories trough and intermodal (container) pricing rebounds. In 2022, intermodal transport accounted for 30% of Canadian National's revenues. Ongoing demand for Canadian energy and agricultural

products could also add strength to its revenues. We also increased our position in Canadian Pacific Kansas City Limited, now known as CPKC. After Canadian Pacific's long-awaited tie-up with Kansas City Southern, the unified railroad benefits from a single line connecting the US, Canada and Mexico and the Pacific and Atlantic Oceans with the Gulf of Mexico. We believe companies such as these possess unique assets and are often able to leverage their dominant market positions, high barriers to entry and pricing power to achieve sustainable growth, particularly in today's inflationary environment. Additionally, the recent rise in fuel prices affecting trucking may drive stronger railroad volumes of key commodities, including grain, fertilizers and crude oil.

We continued to seek companies in the financials sector that can benefit from inflation, high rates and volatility, macro trends that we think will continue to play a significant role in the global economy. Given our bottom-up process, we have steadily added to our position in UBS as our conviction in the stock has grown. Even during the banking crisis in March, a period when investors with less conviction might have sold their shares, we added to ours, thus benefiting from the 39% gain in UBS' share price from March 17 to September 30, 2023. As mentioned in the Portfolio Activity section, we have high regard for the company's global strategy and talented management team as it continues to strengthen the company's already formidable competitive advantages in retail and commercial banking, asset management, wealth management and investment banking. Underpinning these highly profitable businesses is a strong balance sheet. As the top contributor in both absolute and relative terms over the quarter and year-to-date periods, UBS has been a source of strength for the portfolio this year. BNP Paribas is another diversified European bank position that we added to. Given its strong business model and high-quality assets, we have confidence that it can sustainably grow net profits while continuing to return capital to shareholders in the form of dividends and share buybacks. Given high interest rates and volatility this year, investors have placed a premium on capital returns. With a "higher for longer" monetary policy in place, a relatively stable, but slowing European economy, increased cost efficiencies and a still-reasonable valuation, we believe BNP Paribas can continue to produce strong returns for the portfolio. Lastly, we increased the size of our position in Allianz, a global insurance and asset management firm. With strong performance in its property-casualty business, it has stayed ahead of consensus estimates on operating profit and net income this year. We continue to value Allianz's diverse revenues, strong balance sheet and share buybacks.

In support of our environment theme, we initiated a position in Schneider Electric, a global leader in electrical equipment and energy management solutions. Headquartered in France with more than 200 factories around the world, the company offers digital solutions that help companies efficiently and sustainably manage and automate building systems, data centers and other infrastructure. In doing so, it manufactures a wide variety of products under many subsidiaries, from circuit breakers to video security equipment to heat pump systems. We appreciate the company's unique position in helping companies around the world upgrade their infrastructure to better navigate the energy transition. In addition, we increased our allocation to oilfield technology giant SLB, a leader in the decarbonization of oil and gas operations. The company expects materially higher free cash flow in the second half of the year as many of its digital services clients have delayed spending until then. This outcome highlights the strength of SLB's diverse revenue sources, a characteristic that allows it to benefit from resurging international and offshore markets as well as North America. However, it is the company's technology leadership within the industry that has contributed consistently strong cash generation and has attracted us to the potential for long-term value creation.

Finally, as the global economy continues to evolve and affect our investment theses, we exited or trimmed positions where cyclical or macro risks outweighed the rewards. For example, in our technology theme, we sold Taiwan Semiconductor Manufacturing Company given cyclical headwinds as evidenced by growing inventories and declining capital expenditures, particularly in the PC and smartphone markets. In electronic payments, we exited our position in Adyen while we reevaluate our thesis given its weak revenue growth in North America, a region that accounts for about 25% of the company's business. This year, payment customers have focused more on profitability and optimizing costs and less on growth, particularly in the US where it is easier for some merchants to switch to different payment platforms. And within our demographics theme, we exited LVMH, a world leader in luxury goods. While the stock is selling at a premium to its 10-year average P/E, we believe changing investor sentiment, slowing sales in the US and questions about a full recovery in China are challenging some valuations in this segment.

Outlook

We continue to conduct rigorous bottom-up, fundamental research to uncover long-term growth opportunities that are offered at a reasonable price. Companies that fit this mold have sustainable competitive advantages, superior business models, unique assets and high barriers to entry. They are led by talented management teams focused on strong governance. In addition, we incorporate a thematic approach to help us focus our research on companies that are also beneficiaries of long-term secular trends. Over many decades, we have found sustainable growth opportunities in every market environment.

For the remainder of 2023, we plan to use this approach to invest in companies that can grow earnings and cash flows faster than peers while maintaining resiliency in the face of a shifting macroenvironment. In our financial services theme, we are on the lookout for companies that are building high-quality business models that benefit from rising interest rates and volatility. In our environment theme, we are allocating capital to companies that are well positioned to meet the growing demand for clean energy, decarbonization technologies and energy-efficiency solutions. In demographics, we continue to invest in businesses that are building

brands and innovative health care treatments that benefit from powerful secular demographic shifts and lead to lucrative enterprises. In our infrastructure theme, we look for companies that own key assets that are resilient to inflation and can be leveraged to help keep economies moving. In technology, we continue to search for companies that can harness innovation to build new tools that meet the needs of many yet are difficult for others to replicate. In short, we plan to use our sustainable growth lens to find and invest in these types of stocks, but only if they are selling at a discount to peers or a company's own history.

ARTISAN CANVAS

Timely insights and updates from our investment teams and firm leadership

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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 EAFE Index measures the performance of developed markets, excluding the US and Canada. Nikkei Index is a price-weighted index composed of Japan's top 225 blue-chip companies traded on the Tokyo Stock Exchange. MSCI All Country World ex USA Index measures the performance of developed and emerging markets, excluding the US. Tokyo Price Index (TOPIX) is a capitalization-weighted index of all firms listed in the first section of the Tokyo Stock Exchange. 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 30 Sep 2023. 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 30 Sep 2023: Cie Financiere Richemont SA 3.2%, Carlsberg AS 0.8%, Heineken NV 1.3%, Schlumberger NV 2.5%, Daiichi Sankyo Co Ltd 2.2%, Argenx SE 1.7%, Novo Nordisk A/S 5.0%, UBS Group AG 6.1%, Canadian National Railway Co. 2.1%, Canadian Pacific Kansas City Ltd 3.2%, BNP Paribas SA 3.0%, Allianz SE 2.9%, Schneider Electric SE 0.6%. As of 3 Mar 2022, Russian holdings were valued at zero. 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.

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Share Buybacks take place when a company buys its own outstanding shares on the open market in order to increase value of its remaining shares. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **International Energy Agency (IEA)** is a Paris-based intergovernmental organization that provides policy recommendation, data and analysis on the global energy sector to countries representing global energy demand.

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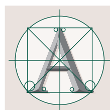
A R T I S A N  P A R T N E R S