

Nominees for International-Stock Fund Manager of the Year

This year's list contains the 1998 and 2008 winners of the award.

Fund Spy | 12-14-12 | By Gregg Wolper

In Thursday's column, the nominees for Morningstar's Domestic-Stock Fund Manager of the Year were unveiled. Next up are the nominees for International-Stock Fund Manager of the Year.

As with the awards for the other fund areas, these nominations not only reflect performance and portfolio decisions in 2012 but also consider long-term records. We want to reward managers who not only had topnotch returns this year, but who have demonstrated their abilities over time as well. In addition, we considered not just the managers' largest fund but others that they run too, when applicable.

The Fixed-Income Fund Manager of the Year nominees will be posted on Monday, Dec. 17, followed by the Alternatives and Allocation categories on Tuesday, Dec. 18, and Wednesday, Dec. 19, respectively. All of the winners will be announced in the first week of January.

There are four nominees for 2012 International-Stock Fund Manager of the Year. In alphabetical order, they are:

David Samra and Daniel O'Keefe,

Artisan International Value (ARTKX) (YTD return: 21.6%) and Artisan Global Value (ARTGX) (YTD return: 18.5%)

This duo won Morningstar's International-Stock Fund Manager of the Year award for 2008, when their cautious value approach held these funds' losses far below those of all but a few rivals. Samra and O'Keefe once worked as analysts at Harris Associates, advisor to the Oakmark funds, where they supported Oakmark International (OAKIX) manager David Herro (who won this award himself in 2006). They started their International Value fund in September 2002, so it now has a 10-year record—which is outstanding. (Global Value launched in December 2007.)

Rather than hitting the jackpot with a few noteworthy stocks, Samra and O'Keefe have succeeded in 2012 by having many modest winners from diverse areas. Some of the biggest gains in their rather compact portfolios came from Diageo and HeidelbergCement (HEI). Oracle (ORCL) and MasterCard (MA) from the United States also delivered nice returns for Global Value. Turnover in both funds is low. (Diageo

and another top holding, Unilever (UL), have been in the International Value portfolio since 2003.)

Artisan International Value is currently closed to new investors, but Artisan Global Value is open.

(Disclosure: O'Keefe was a fund analyst at Morningstar for several years in the 1990s.)

Mark Yockey, Artisan International (ARTIX) (YTD return: 23.9%) and Artisan International Small Cap (ARTJX) (YTD return: 31.3%)

Yockey is another prior winner of the International-Stock Fund Manager of the Year award, having won it in what seems like another era: 1998. Unlike Samra and O'Keefe—whose operation is completely separate—he uses a growth-oriented approach. So it's not surprising that he won this award in the late 1990s when growth was king. But Yockey's growth style is moderate, and Artisan International's portfolio tends to straddle the border between growth and blend in Morningstar's Style Box.

As a result, Yockey doesn't need a growth-dominated climate, or even a rally, to outperform. Impressively, Artisan International is not only near the top of its category in 2012 with foreign markets rising, but it hit the 3rd percentile in 2011 when the MSCI EAFE Index finished deep in negative territory.

These funds aren't tame. Both of Yockey's offerings lagged in 2010 when some missteps in European financials tripped up returns, and unlike the Samra and O'Keefe offerings, neither of Yockey's funds held up any better than their peers in 2008's crash. But over time, and particularly in 2012, Yockey's decisions have paid off.

This is only an excerpt of the full article. The information for the other two nominees was omitted for reprint purposes. To read the full article visit www.morningstar.com.

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Clarification: Diageo has been in the International Value portfolio since 2002.

Average annual total returns for the fund and benchmark as of 30-Nov-12:

Artisan Global Value Fund – ARTGX (Inception 10-Dec-07): 18.20% (1YR), 12.05% (3YR), 4.69% (Since Inception). MSCI All Country World Index: 13.33% (1YR), 6.56% (3YR), -2.22% (Since Inception).
Artisan International Value Fund – ARTKX (Inception 23-Sep-02): 18.56% (1YR), 10.22% (3YR), 3.77% (5YR), 14.12% (10YR), 14.46% (Since Inception). MSCI EAFE Index: 12.61% (1YR), 2.97% (3YR), -4.73% (5YR), 7.51% (10YR), 8.42% (Since Inception). MSCI EAFE Value Index: 12.45% (1YR), 1.15% (3YR), -5.55% (5YR), 7.66% (10YR), 8.63% (Since Inception).
Artisan International Fund – ARTIX (Inception 28-Dec-95): 19.93% (1YR), 6.88% (3YR), -2.64% (5YR), 8.64% (10YR), 9.73% (Since Inception). MSCI EAFE Index: 12.61% (1YR), 2.97% (3YR), -4.73% (5YR), 7.51% (10YR), 4.15% (Since Inception). MSCI EAFE Growth Index: 12.66% (1YR), 4.72% (3YR), -3.96% (5YR), 7.27% (10YR), 3.00% (Since Inception).
Artisan International Small Cap Fund – ARTJX (Inception 21-Dec-01): 23.25% (1YR), 8.95% (3YR), -0.75% (5YR), 15.44% (10YR), 13.75% (Since Inception). MSCI EAFE Small Cap Index: 13.02% (1YR), 6.00% (3YR), -2.36% (5YR), 11.27% (10YR), 9.84% (Since Inception).

Average annual total returns for the fund and benchmark as of 30-Sep-12:

Artisan Global Value Fund – ARTGX (Inception 10-Dec-07): 26.90% (1YR), 12.01% (3YR), 4.28% (Since Inception). MSCI All Country World Index: 20.98% (1YR), 7.23% (3YR), -2.42% (Since Inception).
Artisan International Value Fund – ARTKX (Inception 23-Sep-02): 22.94% (1YR), 9.22% (3YR), 2.80% (5YR), 14.39% (10YR), 14.27% (Since Inception). MSCI EAFE Index: 13.75% (1YR), 2.12% (3YR), -5.24% (5YR), 8.20% (10YR), 8.22% (Since Inception). MSCI EAFE Value Index: 12.59% (1YR), -0.11% (3YR), -6.33% (5YR), 8.49% (10YR), 8.44% (Since Inception).
Artisan International Fund – ARTIX (Inception 28-Dec-95): 30.05% (1YR), 6.54% (3YR), -2.33% (5YR), 9.14% (10YR), 9.63% (Since Inception). MSCI EAFE Index: 13.75% (1YR), 2.12% (3YR), -5.24% (5YR), 8.20% (10YR), 3.99% (Since Inception). MSCI EAFE Growth Index: 14.81% (1YR), 4.32% (3YR), -4.23% (5YR), 7.82% (10YR), 2.83% (Since Inception).
Artisan International Small Cap Fund – ARTJX (Inception 21-Dec-01): 26.77% (1YR), 8.02% (3YR), -1.32% (5YR), 15.80% (10YR), 13.58% (Since Inception). MSCI EAFE Small Cap Index: 12.56% (1YR), 4.75% (3YR), -2.98% (5YR), 11.24% (10YR), 9.81% (Since Inception).
Expense Ratios are for the fiscal year ended 30-Sep-11. Artisan Global Value Fund's gross expense ratio is 1.77%. Artisan Partners has contractually agreed to reimburse the Fund for any ordinary operating expenses in excess of 1.50% of its average daily net assets. The current contract continues through 1-Feb-13, at which time Artisan Partners will determine whether to renew, revise or discontinue it. Artisan International Value Fund's expense is 1.24%. The Fund's direct operating expenses are 1.18% which is reflected in the Fund's "Financial Highlights" in the statutory prospectus and financial statements. The expense ratio noted above includes "Acquired Fund Fees and Expenses," which are indirect expenses the Fund may incur from investing in an investment company (acquired fund); such indirect expenses are not paid from the Fund's assets but are reflected in the return realized by the Fund on its investment in the acquired funds. Artisan International Fund's expense ratio is 1.22%. Artisan International Small Cap Fund's expense ratio is 1.50%.

Source: Artisan Partners/FactSet/MSCI.

The performance quoted represents past performance, which does not guarantee future results. The investment return and principal value of an investment in the Fund 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 the performance data quoted. For current to most recent month-end performance information, call 800.344.1770. The performance information shown for Artisan Global Value Fund reflects Artisan Partners' agreement to limit the Fund's expenses and has had a material impact on the Fund's performance, which would have been lower in its absence. The performance information shown for Artisan Global Value Fund and Artisan International Value Fund does not reflect the deduction of a 2% redemption fee on shares held by an investor for 90 days or less and, if reflected, the fee would reduce the performance quoted.

Investors should consider carefully before investing the Fund's investment objective, risks and charges and expenses. For a prospectus or summary prospectus, which contains that information and other information about the Fund, please call us at 800.344.1770. Please read the prospectus or summary prospectus carefully before you invest or send money.

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For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Artisan Global Value Fund's total net assets as of 30-Sep-12: Diageo PLC 3.1%; HeidelbergCement AG 1.4%; Oracle Corp 3.6%; Mastercard Inc 3.2%; Unilever PLC 2.8%. These holdings comprise the following percentages of the Artisan International Value Fund's total net assets as of 30-Sep-12: Diageo PLC 2.4%; HeidelbergCement AG 2.1%; Unilever PLC 3.0%. These holdings comprise the following percentages of the Artisan International Fund's total net assets as of 30-Sep-12: Diageo PLC 0.5%; Unilever NV 3.5%.

A mutual fund's NAV is the value of a single share and is computed daily using closing prices as of the NYSE closing time – usually 4:00 p.m. Eastern Time, but sometimes earlier. Securities for which prices are not readily available (such as when there are significant changes in one or more U.S. market indices) are valued at a fair value under the Funds' Valuation Procedures as described in the Funds' prospectus. When fair value pricing is employed, the value of a portfolio security used by the Fund to calculate its NAV may differ from (and consequently be higher or lower than) quoted or published prices for the same security. Fair value pricing is not employed by market indices.

Quotations of mutual fund performance are calculated using NAV and may be impacted by fair value pricing.

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Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers' funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term risk-adjusted performance and of aligning their interests with shareholders'. The Fund Manager of the Year award winners are chosen based on Morningstar's proprietary research and in-depth qualitative evaluation by its fund analysts.

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