

Artisan Partners International Small-Mid Team

An Unwavering Investment Approach Amid Historic Volatility



Inception
1 January 2019

Strategy AUM (as of 31 Dec 2024)
\$6,544 Billion

Investment Team
Artisan Partners International Small-Mid Team

Rezo Kanovich

26 Years Investment Experience

A Message from Rezo

From the COVID-19 pandemic to geopolitical conflicts and historical inflation leading to an unprecedented rate hike cycle, a dramatic set of events has defined the world since we were entrusted with managing this strategy by Artisan Partners and the Global Equity team in late 2018. This backdrop has reshaped the operating landscape, caused capital markets to seesaw between euphoria and abject pessimism, and created pockets of distortion driven by top-down projections or broad sector rotations as investor sentiment waxes and wanes.

While the public market has lived in extremes, our investment approach has kept us disciplined. Our unwavering focus is on the small minority of businesses amidst a very large investment universe that we believe represents the ability to compound returns meaningfully over the coming years. Our work is never done, and portfolio activity has been elevated over the past few quarters as we work to take advantage of market dislocations that resulted from several factors, including volatility in interest rates and interest rate expectations, FX volatility, swings in investor sentiment that led to trading baskets of securities, and the unusual shape of the business cycle. These headwinds have resulted in depressed valuations for many world-class franchises, allowing for attractive entry points into both new purchases and the ability to add meaningfully to existing holdings. We are enthusiastic about the valuations represented across our portfolio today; however, our risk-averse nature and focus on the downside deliver a healthy dose of humility and temper our position sizes.

We look forward to many more years of working hard for our investors and are grateful for the continued trust and confidence placed in our team.

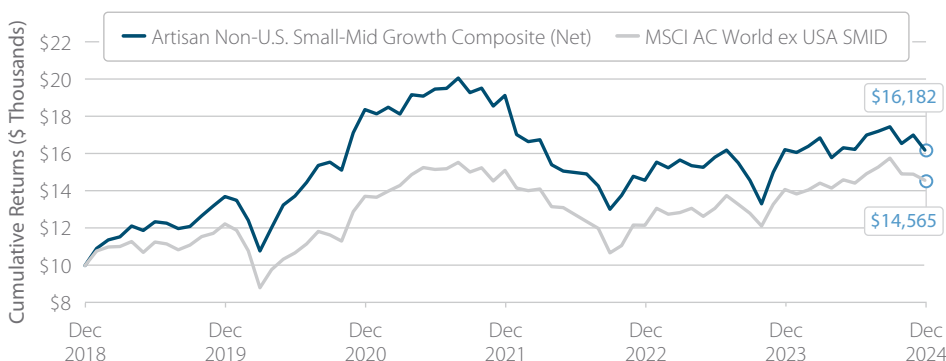
Team Performance Statistics

(Jan 2019 - Dec 2024)

Return	8.35%
Upside Capture	110%
Downside Capture	99%
Sharpe Ratio	0.31
Alpha	2.15

Source: Artisan Partners/MSCI. As of 31 Dec 2024. Past performance does not guarantee and is not a reliable indicator of future results. Benchmark MSCI AC World ex USA SMID Index. Statistics based on Composite returns, net of fees.

Growth of a \$10,000 Investment in the Strategy



Source: Artisan Partners/MSCI. From the period of 31 Dec 2018 to 31 Dec 2024. Represents composite returns, net of management fees. Past performance does not guarantee and is not a reliable indicator of future results. For illustrative purposes only. An investment cannot be made in a composite.

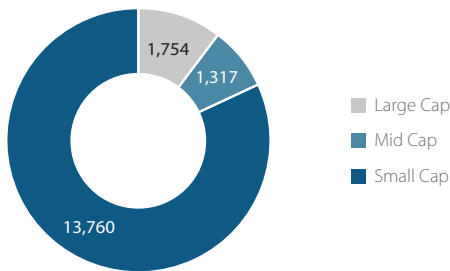
Investment Risk: Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in investment vehicles denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others,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

Why International Small-Mid?

For more than a decade, we have sought to redefine how investors view opportunities in the international small- and mid-cap universe. Our investment universe is complex, very large, and often overlooked or misunderstood by investors. As a strategic asset class, it offers the rare blend of a large and inefficient opportunity set, attractive historical risk-adjusted returns, and potentially enhanced diversification benefits. Over the past 20 years, international small caps have meaningfully outperformed their large-cap counterparts on a risk-adjusted basis. The universe is also under-covered by sell-side analysts, leading to less efficient pricing and the opportunity of a differentiated view, and the uncorrelated return profiles of this asset class also offer the potential benefit of added diversification.

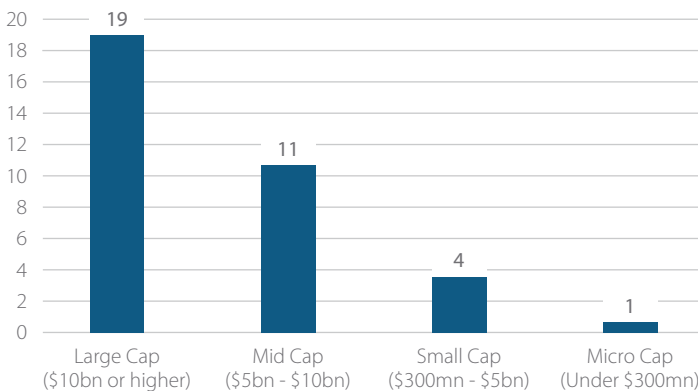
The Merits of International Small Cap Investing

Universe of Investible Companies (# of companies)



Source: FactSet. As of Dec 2024. Market cap segments are determined as follows: Large Cap is \$10 billion+, Mid Cap is \$5 billion to \$10 billion and Small Cap is \$300 million to \$5 billion. Companies with market caps less than \$300 million are not represented. Geographic grouping is based on risk country.

Average Analyst Coverage per Company by Market Cap



Source: FactSet. As of Dec 2024. Based on the number of analyst ratings for a security in the FactSet Estimates database.

Most importantly, in our view, this vast opportunity set allows the discovery of lesser-known high-quality businesses with which we can compound returns over the long term. Within this diverse universe, we are attracted to a small subset of companies that we believe have the potential to become large, globally relevant industry leaders. We believe the depth of our experience, a passion for resilient business models, and our long-term orientation should continue to aid us for years to come.

The charts below illustrate the deep discount at which international small and mid caps are trading versus their 20-year averages and versus larger caps and domestic counterparts. For similar globally relevant companies with attractive end markets, one would pay more for large caps, particularly in the US.

Current vs. Historical Index Valuation

LTM Price/Earnings

	Current	20-Year Avg.
Russell 1000*	27.0	18.2
Russell 2000*	17.3	16.2
MSCI AC World ex USA Large Cap	15.9	13.0
MSCI AC World ex USA Small Cap	14.5	23.3
MSCI AC World ex USA SMID	15.0	13.7

Source: MSCI/Russell. As of 31 Dec 2024.

Relative Valuation

MSCI AC World ex USA SMID relative to S&P 500* Index (P/E, NTM)



Source: FactSet/MSCI/S&P. As of 31 Dec 2024.

We are passionate investors, and our fundamental company research and industry value chain analysis are labor-intensive and hands on, requiring regular global travel.



Seasoned Leadership

Rezo Kanovich joined Artisan Partners in October 2018 to lead the Artisan Non-U.S. Small-Mid Growth Strategy (formerly Artisan Non-U.S. Small Cap Growth Strategy).

Prior to joining Artisan Partners, Rezo was portfolio manager of OppenheimerFunds' International Small-Mid Company Strategy, including the Oppenheimer International Small-Mid Fund, from January 2012 to September 2018.

Four research analysts support Mr. Kanovich and are dedicated solely to this strategy. Two of the four, Andres Avalos Vitiello and Samir Mainthia, worked with Mr. Kanovich at OppenheimerFunds and also joined Artisan in October 2018 to continue working together as a cohesive team. Research analysts Matthew Trusz and Anastasia Karpova joined the firm in July 2019 and December 2021, respectively. Mr. Avalos Vitiello, Mr. Mainthia and Mr. Trusz have generalist research responsibilities, though they may develop specific areas of interest and expertise over time. Ms. Karpova focuses on health care. The team is dedicated to the same repeatable process that Rezo has honed throughout his career—a thematic, long-term focused, bottom-up approach.

Investment Results

(% USD) as of 31 December 2024	Average Annual Total Returns			
	1 Yr	3 Yr	5 Yr	Inception
Composite—Gross	0.86	-4.43	4.44	9.44
Composite—Net	-0.15	-5.39	3.39	8.34
MSCI AC World ex USA SMID Index	3.49	-1.19	3.54	6.46
MSCI EAFE Small Cap Growth Index	0.96	-6.74	1.49	5.44

Calendar Year Returns (%)

	2020	2021	2022	2023	2024
Composite—Net	33.99	4.13	-23.81	11.30	-0.15

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Composite inception: 1 Jan 2019.

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.

Portfolio Construction

- Typically 100-150 holdings
- Maximum position size generally 5%¹
- Minimum of 65% in non-US companies¹
- Market capitalization range generally similar to the constituents of the MSCI AC World ex USA SMID Index^{1,2}
- Typically less than 10% cash

Based on a model portfolio. ¹Limitations apply at the time of purchase. ²MSCI reconstitutes the index periodically.

Portfolio Statistics

	Strategy	ACxUS SMD ¹
Number of Securities	142	5,470
Number of Countries	22	46
Active Share	96.1%	—
Annual Turnover ²	34.9%	—

Source: Artisan Partners/FactSet (MSCI). As of 31 Dec 2024. ¹MSCI AC World ex USA SMID Index. ²For the 12 months ended 31 Dec 2024.

Region Allocation

(% of portfolio securities)

Region	Strategy	ACxUS SMD ¹
Europe	46.4	31.0
Americas	23.1	6.9
Pacific Basin	17.7	28.9
Middle East	8.3	2.4
Emerging Markets	4.4	30.8

Source: Artisan Partners/FactSet (MSCI). As of 31 Dec 2024. ¹MSCI AC World ex USA SMID Index. Countries held in the index, but not held in the portfolio, are not listed.

Representative Themes

- Biopharmaceuticals and biotechnology
- Cloud Conversion
- Cybersecurity
- Energy Transition
- High Value-Added Bottlenecks
- Logistics
- Medical Tools and Devices
- Next-Gen Auto

Philosophy Recap

Our long-term orientation, emphasis on business strength and contrarian approach to valuation have provided our portfolio with resilience during various market turbulence. Regardless of the macroeconomic backdrop, our singular focus has remained on identifying high-quality companies with underlying structural growth potential, durable competitive advantages and, importantly, a management team with a tangible strategic vision for the future. The journey from small to big is rarely linear, and obstacles will be ever present. Patience, a commitment to nuanced thinking and constant testing of our investment analyses are therefore required.

We strive to glean non-obvious insights from our conversations with company managements, heads of R&D, industry experts and company customers and suppliers to understand drivers of value, like creativity and through-cycle profitability. Current valuations must be underpinned by the business today and underappreciate the growth potential and optionality of tomorrow.

Our investment approach also marries long-term thematic investing with bottom-up security selection. There are more than a dozen structural growth themes represented in our portfolio at any time, each representing an enduring tailwind to the changing dynamics within industries. This approach orients the portfolio to areas of the market that we believe are positioned on the "right side of history" and have 10-year secular opportunities ahead of them. Intense travel and fundamental research on industry value chains and individual companies are integral to our research process. Many of our themes have been in the portfolio since the beginning of our Artisan tenure, have proven sustainable through turbulent economic conditions, and continue to be relevant.

Lastly, with respect to the increased volatility in the current environment, it's important to restate that risk, in our view, is the probability of permanent loss of capital, not short-term price movement. However, we are mindful of short-term vulnerabilities in the context of potential long-term outcomes. We have developed a comprehensive risk management framework that is well grounded, long-term oriented and robust to changing market conditions. The main risk mitigating tools we rely on are individual company analysis, sensitivity to valuation and a disciplined and humble approach to position sizing. In addition, because we invest in structurally advantaged businesses with strong pricing power and little to no debt, when fundamentals remain healthy and are progressing, short-term stock price volatility represents an opportunity for investors with the proper investment horizon.

The investment team seeks long-term ownership in high-quality businesses exposed to structural growth themes, backed by strong management teams and trading at attractive valuations.

Investing with Tailwinds

- Identify structural themes at the intersection of growth and change
- Invest in companies poised to be long-term beneficiaries of those trends

High-Quality Businesses

- Differentiated and defensible business model
- Dynamic management team
- High ROIC, healthy cash flow generation, strong balance sheet and ability to self-fund growth

A Contrarian Approach to Valuation

- Market dislocations and mismatches between stock price and long-term business value create opportunity
- Focus on a company's through-cycle profitability

Manage Unique Risks of International Small- and Mid-Cap Equities

- Understand the direct and indirect security risk and the probability of permanent capital impairment
- Diversify portfolio across industries, geographies and themes
- Position sizing based on magnitude of opportunity, assessment of risk, and level of conviction

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. Growth 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. This is a marketing communication.

This summary represents the views of the portfolio manager as of 31 Dec 2024 and is subject to change without notice. While the information contained herein is believed to be reliable, there is no guarantee as to the accuracy or completeness of any statement in the discussion. This material is for informational purposes only and should not be considered as investment advice or a recommendation of any investment service, product or individual security. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

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. Totals may not sum due to rounding.

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.

Performance: 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.

Country exposure percentages reflect country designations as classified by MSCI as of the date shown. Securities not classified by MSCI reflect country designations as of the date the report was generated. Sector exposure percentages reflect sector designations as currently classified by GICS.

The indexes are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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