



Artisan International Small-Mid Fund

MONTHLY
Commentary

Investor Class: ARTJX | Advisor Class: APDJX

As of 31 August 2024

Commentary

Global equities gained in August as Federal Reserve Chair Powell signaled interest rate cuts are coming. With the exception of energy, every sector in the MSCI ACWI ex USA SMID Index advanced in the month. Real estate and health care led the gains. Our portfolio marginally lagged the index in August, primarily due to information technology holdings. Stock selection in financials, and an overweight to health care, added to relative returns.

Wolfspeed and Shiseido were the largest detractors QTD. Wolfspeed is a leader in materials science, manufacturing silicon carbide (SiC) wafers and devices for next-generation power semiconductors used to improve the range and efficiency of electric vehicles and drive industrial applications. Shares fell due to weakness in near-term EV growth in the US and tepid demand in industrial and energy end markets. Wolfspeed is an important player in the infrastructure of the EV industry, with its SiC capacity sold out through 2026, \$0.5 billion in quarterly design-wins across more than 30 original equipment manufacturers and \$2 billion of power device design-ins. Sentiment has diverged from economic reality, and we remain patient through this transition period as the management team navigates the ample opportunity ahead. Wolfspeed's vertically integrated business model provides strong pricing power, as well as quality and supply assurance. Moreover, the asset value of its facilities is materially higher than the current enterprise value. Wolfspeed is nearly finished with a major, multiyear capex cycle and by year-end will have the largest SiC devices facility and the largest SiC wafer manufacturing facility in the world. As these assets increase in utilization, we believe they will be highly cash flow generative, in addition to balance sheet normalization following the robust investment that was undertaken.

Shiseido is a premium Japanese cosmetics and skincare company with globally relevant brands, such as Shiseido, Clé de Peau Beauté, NARS and Dr. Dennis Gross Skincare. First-half operating losses due to weak demand in China and travel retail weighed on the shares. We have confidence in the new CEO's strategy for margin improvement and growth via cost reductions, digital tools, new sales channels (e.g., specialty stores) and fine-tuning product mix to better capitalize on Shiseido's pricing power.

Daikokutenbussan and Jet2 were the largest contributors QTD. Daikokutenbussan is a vertically integrated Japanese discount food retailer. Shares extended QTD gains on strong net income growth and margin expansion guidance. Inflation and yen depreciation have pressured the Japanese consumer, and Daikokutenbussan's value proposition of lower prices and high quality has resulted in store traffic growth. In addition, its high-margin private label products and efficient store operations continue to drive profitability. The company continues to transform from a regional to national player in a highly fragmented market.

A vertically integrated online travel agency and airplane fleet owner, Jet2 continues to benefit from pent-up travel demand in the UK and reported 24% YoY revenue growth on strong demand of its package holidays. During the pandemic, the company's balance sheet strength enabled it to renew its fleet, strengthen relationships with hotel partners and meaningfully add to its portfolio of landing slots at key airports, significantly enhancing its value proposition. Many have tied Jet2's pricing to its airplane fleet with little credit given to the highest value portion of its operations—its relationships with hotel partners. Jet2 remains flush with cash, positioning it to play offense and take market share from weaker competitors.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$18.39	\$18.51
Inception	21 Dec 2001	4 Dec 2018
Expense Ratios		
Semi-Annual Report 31 Mar 2024 ¹	1.31%	1.14%
Prospectus 30 Sep 2023 ²	1.31%	1.15%

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Nice Ltd (Israel)	3.1
ConvaTec Group PLC (United Kingdom)	2.9
JET2 PLC (United Kingdom)	2.2
Swedish Orphan Biovitrum AB (Sweden)	2.2
Ambu A/S (Denmark)	2.1
Alcon Inc (Switzerland)	2.1
WNS Holdings Ltd (India)	1.7
Azbil Corp (Japan)	1.6
Rotork PLC (United Kingdom)	1.6
CyberArk Software Ltd (Israel)	1.6
TOTAL	21.1%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD ¹
Communication Services	0.1	4.6
Consumer Discretionary	5.1	11.1
Consumer Staples	7.9	6.2
Energy	1.7	3.8
Financials	7.1	14.5
Health Care	24.1	7.0
Industrials	30.0	20.4
Information Technology	21.2	10.8
Materials	1.9	10.4
Real Estate	0.9	7.1
Utilities	0.0	4.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.8% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

As of 31 August 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	1.49	6.24	6.18	11.05	-5.08	7.17	5.26	10.08
Advisor Class: APDJX	1.48	6.32	6.32	11.24	-4.93	7.34	5.35	10.12
MSCI All Country World ex USA SMID Index	2.38	5.97	8.49	15.02	-0.55	7.08	4.64	8.16
MSCI EAFE Small Cap Growth Index	2.35	7.66	7.78	13.27	-5.89	5.57	5.59	8.05

As of 30 June 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	-0.97	-3.67	-0.06	2.30	-6.08	5.23	3.93	9.86
Advisor Class: APDJX	-0.97	-3.71	0.00	2.41	-5.94	5.38	4.01	9.90
MSCI All Country World ex USA SMID Index	-1.22	-0.07	2.38	10.30	-1.65	5.05	3.92	7.94
MSCI EAFE Small Cap Growth Index	-2.34	-1.74	0.10	5.08	-6.54	3.41	4.58	7.76

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (21 December 2001); Advisor (4 December 2018). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different if such expenses were reflected.

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.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	ACxUS SMD ¹
EUROPE	47.6	32.9
United Kingdom	19.5	8.5
Denmark	6.1	1.2
Switzerland	4.5	3.4
Sweden	4.3	3.3
Germany	4.1	3.7
Finland	2.6	1.0
Netherlands	2.1	2.0
France	1.3	3.1
Belgium	1.0	0.8
Norway	0.8	1.2
Italy	0.8	2.2
Spain	0.5	1.0
AMERICAS	21.4	6.8
United States	16.3	—
Canada	5.1	6.8
PACIFIC BASIN	17.7	29.0
Japan	17.7	19.5
MIDDLE EAST	7.5	2.0
Israel	7.5	2.0
EMERGING MARKETS	5.9	29.2
India	2.3	6.8
Brazil	1.6	1.3
China	0.9	3.5
Mexico	0.5	0.5
Iceland	0.4	—
Korea	0.1	3.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/MSCI. ¹MSCI All Country World ex USA SMID Index. Countries held in the index, but not held in the portfolio, are not listed.

Team Leadership



Portfolio Manager

Rezo Kanovich

Years of Investment Experience

25

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 All Country World ex USA SMID Index measures the performance of small- and mid-cap companies in developed and emerging markets excluding the US. MSCI EAFE Small Cap Growth Index measures the performance of small-cap companies in developed markets, excluding the US and Canada, with higher forecasted and historical growth rates. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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 Fund's total net assets as of 31 Aug 2024: Daikokutenbussan Co Ltd 1.1%; Shiseido Co Ltd 0.7%; Wolfspeed Inc 0.4%. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

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