



Artisan International Small-Mid Fund

MONTHLY Commentary

Investor Class: ARTJX | Advisor Class: APDJX As of 30 September 2024

Commentary

Global equities gained in September as the Federal Reserve cut rates for the first time since the pandemic. With the exception of energy, every sector in the MSCI ACWI ex USA SMID Index advanced in the month. Materials and real estate led the gains. Our portfolio underperformed the index in September, mainly due to our health care holdings.

Wolfspeed and Madrigal Pharmaceuticals were the largest detractors in Q3. 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. Sentiment has diverged from economic reality, and we remain patient through this transition period as the management team navigates the ample opportunity ahead. 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 \$2.0 billion of power device design-ins. Moreover, Wolfspeed's vertically integrated business model provides strong pricing power, as well as quality and supply assurance, and the asset value of its facilities is materially higher than the current enterprise value. Wolfspeed is also nearly finished with a major, multiyear capex cycle and by year-end will have both the world's largest SiC devices facility and largest SiC wafer manufacturing facility. As these assets increase in utilization, we believe they will be highly cash flow generative and lead to balance sheet normalization.

Madrigal engages in the development and commercialization of innovative therapeutic candidates for cardiovascular, metabolic and liver diseases. Its lead drug Rezdiffra (resmetirom) was the first FDA-approved treatment for metabolic dysfunction-associated steatohepatitis (MASH) and posted \$14.6 million in sales in the first quarter of launch. No fundamental news drove share movement in this quarter. We believe this treatment has the potential to become a blockbuster drug and continue to have confidence in the R&D prowess and commercial execution of the company.

Kornit Digital and Daikokutenbussan were the largest contributors in Q3. Kornit Digital is an intellectual property-protected leader in the digital transformation of the apparel industry that enables automation, near-shoring, eco-friendliness and working capital efficiency of textile manufacturing. Shares surged this quarter after Kornit held a successful event at the Printing United Expo in Las Vegas and announced additional \$100 million in share repurchases. Kornit's transition from a capex to an all-inclusive click model should reduce the barrier to adoption, as it gives customers the ability to lease printers and provides visibility into how much each impression will cost. It should also result in higher margins over time for Kornit, as it includes ink and services, greater visibility into the top line and has a 2-year payback period. We are encouraged by the meaningful improvement in revenue quality and believe Kornit will sustain its technological lead.

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 as well as superior sourcing capability 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 fragmented market.

Portfolio Details

	ARTJX	APDJX
Net Asset Value (NAV)	\$18.59	\$18.72
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)	2.7
Swedish Orphan Biovitrum AB (Sweden)	2.2
JET2 PLC (United Kingdom)	2.1
Ambu A/S (Denmark)	2.1
Alcon Inc (Switzerland)	2.0
Rotork PLC (United Kingdom)	1.6
Azbil Corp (Japan)	1.6
WNS Holdings Ltd (India)	1.5
CyberArk Software Ltd (Israel)	1.5
TOTAL	20.5%

Source: Artisan Partners/MSCI.

Sector Diversification (% of portfolio securities)

	Fund	ACxUS SMD ¹
Communication Services	0.1	4.8
Consumer Discretionary	5.3	11.1
Consumer Staples	8.0	6.4
Energy	1.3	3.7
Financials	6.7	14.3
Health Care	24.4	7.0
Industrials	30.6	20.4
Information Technology	20.5	10.3
Materials	2.2	10.7
Real Estate	0.9	7.2
Utilities	0.0	4.0
TOTAL	100.0%	100.0%

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 4.9% of the total portfolio. ¹MSCI All Country World ex USA SMID Index.

Investment Results (%)

As of 30 September 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTJX	1.09	7.39	7.33	19.55	-3.37	7.19	6.02	10.09
Advisor Class: APDJX	1.13	7.52	7.52	19.85	-3.20	7.37	6.12	10.14
MSCI All Country World ex USA SMID Index	3.16	9.32	11.92	23.01	1.63	7.26	5.57	8.27
MSCI EAFE Small Cap Growth Index	2.40	10.25	10.36	23.23	-3.97	5.65	6.41	8.13

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	47.2	31.9
United Kingdom	19.1	8.3
Denmark	6.1	1.1
Switzerland	4.7	3.4
Sweden	4.4	3.2
Germany	3.9	3.7
Finland	2.7	1.1
Netherlands	2.2	1.6
Belgium	1.1	0.8
France	0.9	3.0
Italy	0.8	2.1
Norway	0.8	1.2
Spain	0.5	1.0
AMERICAS	21.8	6.6
United States	16.5	—
Canada	5.3	6.6
PACIFIC BASIN	17.7	29.1
Japan	17.7	19.3
MIDDLE EAST	7.8	1.9
Israel	7.8	1.9
EMERGING MARKETS	5.5	30.4
India	2.0	6.9
Brazil	1.5	1.4
China	1.0	4.3
Mexico	0.5	0.6
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 30 Sep 2024: Daikokutenbussan Co Ltd 0.9%; Kornit Digital Ltd 1.2%; Madrigal Pharmaceuticals Inc 0.9%; Wolfspeed Inc 0.5%. 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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