



# Artisan International Fund

MONTHLY  
Commentary

Investor Class: ARTIX | Advisor Class: APDIX As of 28 February 2025

## Commentary

Global markets faced pressure in February, driven by weakness in US equities as persistent inflation, concerns over economic growth and geopolitical uncertainty fueled volatility. Trade war developments dominated headlines, as the US negotiated tariffs with Canada, Mexico and China. Meanwhile, European equities advanced on dovish signals from the ECB and a rebound in manufacturing, while Asian markets rallied early in the month before retreating amid renewed trade tensions.

The portfolio delivered strong returns in February, outperforming the MSCI EAFE and MSCI AC World ex USA indices. Relative gains were driven by effective stock selection and sector allocation.

Like last month, stock selection in industrials drove relative performance. South Korean defense firm Hanwha Aerospace surged after reporting a 56% year-over-year increase in Q4 sales and a 222% rise in operating margins, far exceeding market expectations. Rising geopolitical tensions, particularly in Europe and the Middle East, have fueled export demand, expanding Hanwha's order backlog. European Commission President Ursula von der Leyen proposed suspending budget rules to enable EU nations to boost defense spending, potentially unlocking €800 billion for military rearmament after US-Ukraine ceasefire talks stalled. Hanwha Aerospace is well positioned to capitalize on this demand with its reliable, state-of-the-art, cost-effective defense solutions.

An underweight position in information technology, the worst performing sector this month, contributed to our outperformance. Tech stocks broadly declined along with 10-year Treasury yields, as investors reacted to softer demand in semiconductors, electronic equipment and hardware. Due to stretched valuations, we have steered clear of many technology stocks, instead focusing on sectors where we see stronger growth potential and more attractive valuations.

Conversely, holdings in consumer discretionary lowered relative returns. In particular, Amazon's share price declined following disappointing cloud computing revenue growth. Amazon Web Services grew quarterly revenues by 19%, slightly missing analyst estimates. The stock's downturn was further pressured by a weaker-than-expected Q1 forecast. This comes amid growing skepticism of hyperscaler investments in generative artificial intelligence, especially after Chinese startup DeepSeek launched its R1 model in January, rivaling top-tier models on a smaller budget.

## Portfolio Details

	ARTIX	APDIX
Net Asset Value (NAV)	\$29.66	\$29.50
Inception	28 Dec 1995	1 Apr 2015
Expense Ratios		
Annual Report 30 Sep 2024	1.19%	1.05%
Prospectus 30 Sep 2024 <sup>1</sup>	1.20%	1.05%

<sup>1</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

UBS Group AG (Switzerland)	5.4
National Grid PLC (United Kingdom)	4.5
Deutsche Telekom AG (Germany)	3.6
Argenx SE (Belgium)	3.4
Aon PLC (United States)	3.1
Air Liquide SA (France)	3.0
Melrose Industries PLC (United Kingdom)	3.0
Alibaba Group Holding Ltd (China)	2.8
BNP Paribas SA (France)	2.8
Deutsche Boerse AG (Germany)	2.7
<b>TOTAL</b>	<b>34.2%</b>

Source: Artisan Partners/MSCI.

## Sector Diversification (% of portfolio securities)

	Fund	EAFE <sup>1</sup>
Communication Services	7.4	5.0
Consumer Discretionary	7.5	11.1
Consumer Staples	7.4	8.0
Energy	0.2	3.5
Financials	31.9	23.0
Health Care	9.2	12.6
Industrials	21.7	17.5
Information Technology	0.0	8.4
Materials	5.9	5.9
Real Estate	2.1	1.9
Utilities	6.6	3.1
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 5.2% of the total portfolio. <sup>1</sup>MSCI EAFE Index.

## Investment Results (%)

As of 28 February 2025	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	4.33	9.93	9.93	15.68	8.60	7.43	5.06	8.40
Advisor Class: APDIX	4.35	9.95	9.95	15.86	8.75	7.59	5.22	8.45
MSCI EAFE Index	1.94	7.30	7.30	8.77	6.42	8.70	5.28	5.10
MSCI All Country World ex USA Index <sup>1</sup>	1.39	5.47	5.47	9.65	4.62	7.55	4.83	5.27

As of 31 December 2024

Investor Class: ARTIX	-2.93	-3.44	10.64	10.64	0.56	3.58	4.56	8.09
Advisor Class: APDIX	-2.90	-3.38	10.83	10.83	0.71	3.73	4.72	8.15
MSCI EAFE Index	-2.27	-8.11	3.82	3.82	1.65	4.73	5.20	4.87
MSCI All Country World ex USA Index <sup>1</sup>	-1.94	-7.60	5.53	5.53	0.82	4.10	4.80	5.11

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. <sup>1</sup>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. Class inception: Investor (28 December 1995); Advisor (1 April 2015). 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	EAFE <sup>1</sup>
<b>EUROPE</b>	<b>73.3</b>	<b>66.7</b>
United Kingdom	18.2	15.1
France	14.4	11.4
Germany	10.6	9.8
Switzerland	10.0	10.0
Belgium	8.2	1.0
Denmark	4.9	2.8
Italy	3.3	3.0
Ireland	2.0	0.3
Spain	1.8	3.0
Netherlands	<0.1	4.5
<b>EMERGING MARKETS</b>	<b>15.1</b>	<b>—</b>
China	8.6	—
Korea	4.6	—
Mexico	1.3	—
Greece	0.5	—
Russia	0.0	—
<b>PACIFIC BASIN</b>	<b>6.7</b>	<b>32.4</b>
Japan	4.8	21.7
Hong Kong	1.3	1.9
Singapore	0.6	1.7
<b>AMERICAS</b>	<b>4.9</b>	<b>—</b>
United States	4.7	—
Canada	0.2	—
<b>MIDDLE EAST</b>	<b>—</b>	<b>0.9</b>
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI EAFE Index. Countries held in the index, but not held in the portfolio, are not listed.

## Team Leadership (Pictured left to right)



Portfolio Manager	Years of Investment Experience
Mark L. Yockey, CFA	44
<b>Associate Portfolio Managers</b>	
Charles-Henri Hamker	35
Andrew J. Euretig	21

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. MSCI All Country World ex USA Index measures the performance of developed and emerging markets, excluding the US. 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 28 Feb 2025: Hanwha Aerospace Co Ltd 2.3%. As of 3 Mar 2022, Russian holdings were valued at zero. 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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**Operating profit** is the net income derived from a company's primary or core business operations. **Hyperscalers** are large cloud service providers, which can provide services such as computing and storage at enterprise scale.

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