

Artisan International Fund

QUARTERLY
Commentary

Investor Class: ARTIX | Advisor Class: APDIX | Institutional Class: APHIX

As of 31 March 2025

Investment Process

We seek to invest in companies, within our preferred themes, with sustainable growth characteristics at attractive valuations that do not fully reflect their long-term potential.

Themes

We identify long-term secular growth trends with the objective of investing in companies that have meaningful exposure to these trends. Our fundamental analysis focuses on those industry leaders with attractive growth and valuation characteristics that will be long-term beneficiaries of any structural change and/or trend.

Sustainable Growth

We apply a fundamental approach to identifying the long-term, sustainable growth characteristics of potential investments. We seek high-quality companies that typically have a sustainable competitive advantage, a superior business model and a high-quality management team.

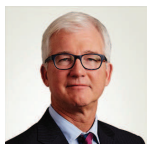
Valuation

We use multiple valuation metrics to establish a target price range. We assess the relationship between our estimate of a company's sustainable growth prospects and its current valuation.

Team Overview

Our team approach combines the benefits of strong leadership with the creative ideas of a deep and highly experienced team of research analysts. We believe this approach allows us to leverage a broad set of perspectives into dynamic portfolios.

Portfolio Management



Mark L. Yockey, CFA
Portfolio Manager



Charles-Henri Hamker
Associate Portfolio Manager



Andrew J. Euretig
Associate Portfolio Manager

Investment Results (%)

	Average Annual Total Returns						
As of 31 March 2025	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	9.30	9.30	10.13	8.45	10.60	5.06	8.35
Advisor Class: APDIX	9.32	9.32	10.28	8.61	10.76	5.22	8.40
Institutional Class: APHIX	9.33	9.33	10.38	8.69	10.85	5.30	8.58
MSCI EAFE Index	6.86	6.86	4.88	6.05	11.77	5.40	5.07
MSCI All Country World ex USA Index ¹	5.23	5.23	6.09	4.48	10.92	4.98	5.25

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (28 December 1995); Advisor (1 April 2015); Institutional (1 July 1997). For the period prior to inception, each of Advisor Class and Institutional Class's performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor or Institutional Class and each share's respective returns during that period would be different if such expenses were reflected. ¹Performance 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.

Expense Ratios	ARTIX	APDIX	APHIX
Annual Report 30 Sep 2024	1.19	1.05	0.96
Prospectus 30 Sep 2024 ¹	1.20	1.05	0.96

¹See prospectus for further details.

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.



US Tariffs and Portfolio Positioning

- The broad scope, scale and vague methodology behind recent US tariffs surprised markets, sparking a sharp selloff.
- We maintained a significant underweight in the information technology sector.
- We increased exposure to industrial infrastructure and defense-related equities.
- We added to our overweight position in diversified European financials—including banks, insurers and exchanges.
- We expanded our emerging markets exposure, with a focus on China, while preserving a meaningful underweight to Japan and the broader Pacific Basin.
- We continued to avoid capital-intensive, low-margin industries such as automotive manufacturing and commodity production.
- We adhered to our longstanding investment process, which has delivered strong results over the past 30 years.

Investing Environment

Global markets were mixed in Q1, ending in a sharp and broad equity market selloff as investors awaited President Donald Trump's announcement of further US tariffs. The dollar fell sharply as other currencies strengthened on fears that the tariffs will hurt the US economy. Both developed and emerging markets produced mostly positive results, while US equity markets ended the quarter sharply lower.

Despite the tariff worries, Europe's equity markets generated strong Q1 returns, aided by falling inflation, resilient economic growth and US inflows. US investors channeled a record \$10.6 billion into exchange-traded funds focused on European stocks, seven times the inflows from a year ago.

In Asia, Japanese equities ended lower as concerns over tariffs and a possible interest rate hike dampened sentiment. While the country's deflation narrative remained intact, stocks slumped and, like other regions, dropped steeply at the end of the quarter. Chinese equities rallied on the back of new fiscal and monetary stimulus to support domestic consumption and attract new investment. The rally was further supported by government efforts to rebuild confidence in the private sector, including tech companies. China's GDP showed upward-trending economic growth given continued fiscal and monetary support, including key interest rate cuts in February.

In the US, solid corporate earnings were overshadowed by deteriorating consumer confidence and uncertainty surrounding US tariff policy. Stocks faced growing selling pressure as the quarter proceeded before falling sharply in the last few days of the period. Only US value stocks ended the quarter in positive territory.

Portfolio Performance

The portfolio solidly beat its primary and secondary benchmarks, the MSCI EAFE Index and MSCI AC World ex USA Index, in Q1. The positive effects of stock selection and sector weightings overcame currency headwinds to drive these results. More specifically, returns this quarter were driven by idiosyncratic defense holdings, resilient European financials and new positions in China's booming information technology sector. In addition, maintaining an overall underweight position in information technology, reducing exposure to health care and avoiding tariff-exposed industries, such as automobiles and metals and mining, increased relative performance.

In communication services, stock selection generated strong relative returns. Deutsche Telekom performed particularly well, supported by solid results from subsidiary T-Mobile, a positive margin outlook and ongoing cost-cutting initiatives. The company's projected surplus free cash flow may enable it to increase its majority stake in faster growing T-Mobile and pursue additional share repurchases. Deutsche Telekom extended its gains later in the quarter as investors rotated toward companies with high-quality, consistent earnings and minimal exposure to US tariffs. We remain attracted to Deutsche Telekom's reasonable valuation and majority stake in T-Mobile. Neither company was affected by tariffs.

Tencent is a leading Chinese communications company that provides cloud computing, gaming, advertising and mobile payment services to consumers and enterprises. The stock rallied this quarter on a stronger-than-expected 33% year-over-year increase in earnings per share. The company has integrated DeepSeek's open-source generative artificial intelligence (AI) models into many of its products to enhance user engagement. For example, developers can now use its AI model to create state-of-the-art 3D video games for the company. We believe Tencent is attractively valued, particularly given its shift to higher margin businesses in gaming and advertising and improved cloud profitability.

Shares of Tencent Music Entertainment, China's leading online music platform and a subsidiary of Tencent, rose steeply this quarter. The company met its average revenue per user targets leading to a year-over-year net profit increase of 45%. The company also renewed its annual dividend and initiated a new share repurchase program. We support the company's strategy of focusing resources on its most profitable segments, which sets it apart from competitors and could lead to even higher margins and earnings growth.

Holdings in industrials added to relative returns. South Korean defense firm Hanwha Aerospace, the largest contributor to the portfolio in absolute and relative terms, surged after Q4 sales jumped 56% year-over-year and operating margins soared 222%, far exceeding expectations. Geopolitical tensions, especially in Europe

and the Middle East, have driven export demand, expanding Hanwha's order backlog. European Commission President Ursula von der Leyen proposed suspending budget rules to let European Union nations increase defense spending, potentially unlocking €800 billion for military rearmament. We believe Hanwha is well positioned to capitalize on this demand with its reliable, state-of-the-art and cost-effective defense solutions.

The portfolio's below-benchmark positioning in information technology also added to relative returns. Waning enthusiasm for generative AI combined with concern and uncertainty over the potentially harmful effects of tariffs on global economic growth caused investors to pull back from the sector. Declines were most acute in the US, where the tech-heavy Nasdaq-100 Index® fell 10.26% during the quarter.

Our industrial gas holdings in the materials sector continued to outperform. Shares of Air Liquide rose as the company reported continuing pricing power and cost cutting. Tariffs impact the company less than other parts of the chemical industry due to Air Liquide's local production. In the US, for instance, its subsidiary operates in 1,400 locations employing local staff to produce essential gases either on or near the customer's site. These products are most often sold using long-term, take-or-pay contracts that often contain price escalators that align with inflation. These relationships enable US manufacturers to secure the uninterrupted gas supplies that are integral to their businesses.

Alternatively, market volatility negatively affected our health care holdings this quarter. For example, UCB fell as investors took profits after strong gains last year and rotated out of growth and into value stocks. UCB's tendency to guide future earnings conservatively, as it did this quarter, further weighed on shares. We continue to see upside potential and are attracted to UCB's strong drug portfolio, which includes Bimzelx® for inflammatory skin diseases and Rystiggo® for myasthenia gravis, an autoimmune disease that causes muscle weakness. Both products have shown no sales deceleration.

Shares of immunology biotech company Argenx also fell victim to weak market support for growth stocks. Nevertheless, its earnings growth rate continued to exceed our expectations. We believe Argenx's fundamentals remain strong, supported by robust sales of its flagship drug, VYVGART®. The drug is normally administered as a one-hour intravenous infusion, typically in a doctor's office or at an infusion center. A new self-administered, pre-filled syringe version of VYVGART® could make taking the drug easier, leading to earlier adoption and serving as a new catalyst for growth.

Despite global oil prices hitting a three-year low this quarter, the energy sector outperformed the benchmark, and our underweight position negatively impacted relative performance. Stock values rose on improved long-term sentiment for fossil fuels.

Lastly, our holdings in the real estate sector weighed on relative performance. Shares of German real estate company Vonovia fell after Germany's parliament loosened strict debt rules to allow for higher government borrowing. While the legislation could eventually lead to public investments that would benefit the real estate sector, the immediate effect was to drive German Bund yields higher, raising financing costs. Vonovia favors urban growth markets with the largest supply-demand gap. We believe this structural imbalance will support rental growth over the long term.

Portfolio Positioning

As part of our infrastructure theme, we increased our positions in defense companies that we think will benefit from rising global tensions and shifting geopolitical alliances. South Korean firms Hanwha Aerospace and LIG Nex1 offer countries a reliable and cost-effective way to acquire advanced military equipment—often delivered in as little as six months, an unusually fast timeline for the industry. In recent months, they've secured contracts for state-of-the-art land-based systems from Poland, Romania, Turkey, the UK, the UAE and others. Stock prices advanced, particularly following President Trump's call for NATO members to raise defense spending to 5% of GDP, up from the current average of around 2.7%. In response, European countries passed legislation and removed impediments to higher defense spending in order to become more self-reliant. Other portfolio holdings in the sector contributed to results, including Mitsubishi Heavy Industries, Safran and Singapore Technologies Engineering. We continue to value these firms for their high-margin exports and growing backlogs, which point to strong future earnings in a supply-constrained environment.

Within our financial services theme, we increased our positions in banks and insurance companies. We reinitiated Japan Post Bank after its parent, Japan Post Holdings, announced it would sell down its equity stake in the bank as required by legislation. The parent aims to reduce its holding to under 50% as soon as possible and fully exit by the end of the fiscal year. We believe this divestment will give Japan Post Bank more autonomy to pursue larger earnings opportunities, especially if interest rates rise. It also reflects a broader trend in Japan toward reducing cross-shareholdings and improving capital efficiency. We also added AIA Insurance back to the portfolio. Based in Hong Kong, AIA is one of the largest insurance providers in Asia and stands to benefit from China's growing middle class—an underpenetrated market for life insurance. We are attracted to AIA's expanding margins, growing after-tax profits, ongoing share buybacks and strong long-term outlook.

Since late last year, the Chinese government has shifted its focus from regulatory crackdowns to fiscal support. We believe this development represents a renewed commitment to economic growth. In February, we added to our position in China by buying shares in e-commerce and cloud leader Alibaba, gaming and communications giant Tencent,

and Meituan, a leading food delivery platform that is expanding into new verticals. All of these companies have posted accelerated returns on invested capital since retail sales bottomed in China in 2022. Notably, they have minimal exposure to US trade tariffs.

Why reinvest in China now? While short-term market volatility continues in China, we continue to see long-term opportunities in high-quality companies trading at attractive valuations. We believe growth prospects are particularly strong in consumer discretionary and communication services. As the world's largest e-commerce market, China accounted for nearly half of global online transactions in 2024—totaling \$3.5 trillion. With 60% of the population shopping online, representing 37% of total retail spending, there is still significant room for growth. We think these companies offer compelling exposure to a rising middle class with increasing affluence and purchasing power over time.

On the other hand, we exited positions in areas of the portfolio where we see less upside. In health care, we sold our position in Novo Nordisk. Its share price began to decline after producing excess returns for the portfolio over the last 11 quarters. While we still value the company's strong product pipeline, we believe we have captured most of the gains at this time. We also sold Swiss skincare company Galderma given higher-than-expected operating expenses associated with its planned US and EU rollout of NEMLUVIO®, a prescription treatment targeting specific chronic skin conditions. In addition, with the US as its largest market, we think the company will face tariff headwinds.

In our infrastructure investment theme, we exited North American railroad CPKC, despite its solid Q4 results, in anticipation of the Trump administration's 25% tariff on imports from Canada and Mexico. With approximately 40% of its revenues from cross-border freight shipping, the railroad is particularly exposed to declining demand from higher import costs.

Finally, we sold our position in Amazon following disappointing cloud revenues in Q4 and lower guidance for Q1 gross merchandise value. This slowdown comes amid growing uncertainty over large generative AI investments big US data companies are making. The stock produced strong relative returns during our long holding period.

Outlook

With volatility approaching levels last seen during the pandemic and significant changes to the global economy potentially on the horizon, we remain alert to current and emerging risks. Shifting government policies, particularly around trade, are likely to reshape market dynamics, creating new challenges and opportunities across sectors, industries and regions. Despite these headwinds, we remain grounded in the investment philosophy that has successfully guided us for 30 years. This approach, built on discipline and long-term thinking, helps us moderate risk while seeking resilient sources of return.

We continue to favor sustainable growth stocks—particularly inexpensive businesses with durable fundamentals and limited exposure to tariffs—as we believe they are well equipped to navigate market volatility. Our thematic investment framework adds another layer of resilience, offering potential tailwinds even in periods of slowing economic growth. While we anticipate continued volatility, we believe our portfolio is well positioned to benefit from the changing dynamics of the global marketplace.

Team Update

There were no changes to the investment team in Q1. On the operations side, Brett Meyer, team COO, left the firm at the end of February.

ARTISAN CANVAS

Timely insights and updates from our investment teams and firm leadership

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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. The Nasdaq-100 Index[®] includes 100 of the largest domestic and international non-financial companies listed on The Nasdaq Stock Market based on market capitalization. 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.

This summary represents the views of the portfolio managers as of 31 Mar 2025. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprised the following percentages of the Fund's total net assets as of 31 Mar 2025: Deutsche Telekom AG 2.4%, Tencent Holdings Ltd 2.3%, Tencent Music Entertainment Group 1.6%, Hanwha Aerospace Co Ltd 2.3%, Air Liquide SA 2.9%, UCB SA 2.2%, Argenx SE 2.5%, Vonovia SE 1.9%, UIG Nex1 Co Ltd 2.3%, Japan Post Bank Co Ltd 1.1%, AIA Group Ltd 1.4%, Alibaba Group Holding Ltd 3.3%, Meituan 1.2%, Mitsubishi Heavy Industries Ltd 1.2%, Safran SA 1.9%, Singapore Technologies Engineering Ltd 0.3%. As of 3 Mar 2022, Russian holdings were valued at zero. Securities named in the commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

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Operating Margin is a measure of profitability equal to operating income divided by revenue. **Gross Merchandise Volume** is the total value of merchandise sold by merchants to consumers on an e-commerce platform over a given period. **Share Buybacks** take place when a company buys its own outstanding shares on the open market in order to increase value of its remaining shares. **Cross-Shareholding/Cross-Holding** involves one publicly traded company holding a significant number of shares of another company, often for strategic purposes or to insulating both companies from stock market fluctuations. **German Bunds** are sovereign debt instruments with fixed maturities and interest rates issued by Germany's federal government to finance government expenditures.

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