Artisan International Fund

QUARTERLY Commentary

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

As of 31 December 2024

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 (%)

As of 31 December 2024	QTD	YTD	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTIX	**-3.44**	**10.64**	**10.64**	**0.56**	**3.58**	**4.56**	**8.09**
Advisor Class: APDIX	**-3.38**	**10.83**	**10.83**	**0.71**	**3.73**	**4.72**	**8.15**
Institutional Class: APHIX	**-3.35**	**10.94**	**10.94**	**0.80**	**3.82**	**4.81**	**8.32**
MSCI EAFE Index	-8.11	3.82	3.82	1.65	4.73	5.20	4.87
MSCI All Country World ex USA Index[1]	-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. 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. [1]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.

Expense Ratios	ARTIX	APDIX	APHIX
Annual Report 30 Sep 2024	1.19	1.05	0.96
Prospectus 30 Sep 2023[1]	1.19	1.05	0.96

[1]See 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.

Investing Environment

Global equities posted mixed results in local currencies during Q4. Some regions ended the year on a positive note, supported by steady economic growth, declining interest rates and resilient employment. However, other markets ended lower, influenced by geopolitical concerns and rising yields. The euro and yen weakened against the US dollar, which surged on post-election optimism and expectation of fewer rate cuts than previously anticipated.

US stocks experienced volatility, with the VIX Index—a measure of the S&P 500® Index's price fluctuations—running at elevated levels ahead of the US presidential election and spiking in December after the Fed adopted a more hawkish stance. Large-cap growth stocks, especially in the information technology sector, recorded healthy gains, while small-cap value stocks declined.

Stocks in Europe drifted lower, given ongoing political instability and the prospect of a trade war with the US. Although the euro zone's core inflation rate remained subdued and employment held steady, consumer confidence fell to its lowest level since April, reflecting uncertainty.

Japanese equities advanced, supported by improving consumer spending and business investment, as well as accommodative financial conditions. The Bank of Japan maintained a cautious approach, refraining from further rate hikes until US trade policies become clearer. In contrast, South Korean stocks faced broad selloffs as political turmoil engulfed the presidency.

Portfolio Activity

The portfolio delivered double-digit returns in 2024, outperforming the single-digit gains of the MSCI EAFE and the MSCI AC World ex USA Indices, the primary and secondary benchmarks. Effective stock selection, favorable currency movements and advantageous sector weightings drove this strong performance. Health care and consumer discretionary holdings were standout performers, with many raising guidance throughout the year. However, a few of our European banking positions faced company-specific challenges, while certain transportation holdings were impacted by supply chain disruptions. These issues weighed on their relative returns.

In Q4 2024, the portfolio meaningfully outperformed. Once again, strong stock selection drove relative returns. During the quarter, health care was joined by industrials, consumer discretionary and information technology as sectors where our holdings delivered robust relative performance.

In health care, shares of biopharma company UCB reaccelerated after the FDA approved Bimzelx® for use with a chronic inflammatory skin condition, potentially adding $1.8 billion in peak sales. Bimzelx® is a biologic that prevents the immune system from attacking healthy skin tissue. Since its US launch at the end of 2023, Bimzelx® has outpaced popular competitors such as Cosentyx, Taltz and Skyrizi. We believe revenues could reach $6.8 billion. Also, shares of global immunology company Argenx continued to rise this quarter after advancing VYVGART® to phase 3 clinical trials for treating myositis, an autoimmune disease with no cure that affects 80,000 people in the US. If VYVGART® is approved to treat myositis, it could add $2 billion to peak sales. Last quarter, total sales for the VYVGART® franchise, including its subcutaneous formulation VYVGART® Hytrulo, grew by 20%, with total peak sales projected to exceed $10 billion.

Industrials, currently our largest overweight, became a relative contributor again after lagging in the last two quarters. Shares of British aerospace supplier Melrose Industries climbed steadily after addressing investors' concerns over its accounting in an October report. Further gains followed strong results for the July–October period, with profit growth aligning with 2024 guidance, driven by robust aftermarket servicing revenues.

In the consumer discretionary sector, where we have been selective throughout the year, our position in Amazon.com once again contributed meaningfully to relative performance. The stock surged following strong Q3 earnings, which exceeded analyst estimates and included an upward revision to Q4 guidance. Amazon Web Services (AWS), the company's primary profit driver, achieved sequential revenue growth while expanding margins by 2.5 percentage points during the quarter. AWS also introduced Trainium3, its most advanced in-house artificial intelligence (AI) chip to date, offering double the speed and 40% greater efficiency than its predecessor. This innovation has the potential to reduce cloud computing costs and unlock new revenue opportunities. We continue to value management's disciplined approach to capital investment, particularly in the financially intensive race for generative AI leadership.

In information technology, Shopify's share price surged more than 32% on Q3 earnings and strong full-year guidance that beat consensus expectations. Gross merchandise value grew 24% year-over-year, driven by strong volumes. The company also launched new omnichannel features to boost merchant success and further penetrate the enterprise segment. Following the rapid increase in share price, we exited our position as the stock reached our target valuation.

Holdings in the consumer staples sector also contributed to relative returns, helped by the strong performance of Coca-Cola Bottlers Japan. The company, one of the world's largest Coca-Cola bottlers by revenue, operates under licensing agreements with The Coca-Cola Company in Japan. Its shares rerated higher on the back of accelerating earnings, driven by year-over-year growth in unit price and volume, alongside increased operating income, culminating in an annual business profit of ¥14.7 billion. Adding to these positive results, the company announced several favorable capital allocation decisions, including an increase to its current dividend, a higher target payout ratio by 2028 and a ¥30 billion share buyback—representing approximately 11% of its outstanding shares. We continue to be impressed with the company's management team, particularly for aligning its interests with shareholders.

Although our Japanese holdings contributed positively to relative returns this quarter, a below-benchmark weighting in Japan detracted from relative performance, as it was one of the best performing countries in the benchmark this quarter. Our current positioning reflects our ongoing commitment to identifying and researching high-quality businesses led by top-tier management teams that share our interests.

Relative returns were also impacted by an above-benchmark weighting in the materials sector, particularly within the chemicals industry. This position comprises our holdings in industrial gas companies, including Linde, Air Liquide and Nippon Sanso. Despite headwinds such as destocking and concerns over future tariffs, the resilient pricing power and strong operating margins of these high-quality companies have supported the portfolio's performance for much of the year. While we sold our position in Linde after it reached our target price and trimmed our stake in Air Liquide, we increased our position in Nippon Sanso. Despite experiencing soft sales volumes, Nippon Sanso continues to benefit from robust pricing power, strong cash flow and defensive earnings. We believe the company's outlook is overly conservative and that its earnings growth will outpace the expectations of both management and industry analysts.

Positioning Activity

Our positioning is driven by our bottom-up assessments. In Q4, positioning changes were generally a reflection of profit-taking from long-term winners and reinvestment in new opportunities.

We sold shares of transportation and defense holdings. For example, we exited our position in aviation leasing company AerCap Holdings after it reached our target share price. AerCap has benefited from aerospace supply chain disruptions, which have compelled airlines to extend leases amid rising demand for air travel. In defense, we exited and trimmed several positions. Notably, we sold our stake in Rheinmetall, a German defense company specializing in conventional defense equipment, which has benefited from Chancellor Olaf Scholz's increased defense spending initiatives for Germany and Ukraine. However, with the collapse of his ruling coalition and the uncertainty surrounding early elections, we opted to avoid potential stock volatility. Similarly, we exited our position in BAE Systems, given its high revenue exposure to the UK and US, where potential defense spending cuts could impact future growth.

In health care, we reduced our position in Novo Nordisk to book gains. We believe the company's industry-leading obesity and Type 2 diabetes pipeline is a key competitive advantage for the next decade. Additionally, we sold shares in the biopharma company UCB. Its shares have surged this year on the success of Bimzelx®, driving a remarkable 130% return for shareholders in 2024. Lastly, after progressively trimming our position throughout the year, we fully exited AstraZeneca to secure gains and mitigate potential volatility. This decision followed the opening of a government investigation into AstraZeneca's business in China, its second-largest market.

In consumer trends, we added Anheuser-Busch InBev back to the portfolio, a stock we have owned previously. We are drawn to its strong operating leverage, product mix improvements, pricing power and cost reductions. Despite lagging volumes, we believe these strengths will support margin recovery, particularly with the potential growth of non-alcoholic beer sales in the US. We also established a position in Flutter Entertainment, the world's largest online sports betting operator. The company owns leading brands such as FanDuel, Sportsbet and PokerStars™ and operates the top sports book in the US. We are particularly attracted to its expanding US margins, driven by its superior product development and risk management capabilities, as well as its recently announced $5 billion share repurchase program planned over the next three to four years.

In financial services, we reinitiated a position in Aon. We value Aon's high margins and pricing power, which we think will drive stronger-than-expected growth, particularly in its commercial risk segment. In banking, we trimmed positions such as UniCredit, where we see less upside potential, and fully exited others, including Resona Holdings and Japan Post Bank, to reallocate capital to higher conviction opportunities.

In energy transition, we increased our position in National Grid, a British utility that generates and transmits natural gas and electricity in the UK and northeastern US. While some of its new projects have faced local opposition, the company has made significant strides in improving grid efficiencies, integrating renewables and strengthening company fundamentals. In the first half of 2024, National Grid reported a 15% increase in annual operating profit and an 8% rise in earnings per share. We value the company's unique industry position and its ability to leverage critical infrastructure to meet the growing demand for electricity.

Outlook

Looking ahead to 2025, we remain confident that the fundamental drivers of growth are intact. Inflation has fallen in most countries, though the rate of change has slowed in some. Key interest rates have declined, reducing short-term borrowing costs and supporting production. Labor markets have remained resilient across much of the globe, including the US, Europe and Japan. However, we also acknowledge the potential for heightened volatility in 2025. Risks such as escalating trade tensions, persistently high inflation in certain sectors and stretched market valuations in others could disrupt capital flows.

We believe our approach—one focused on reasonably valued, high-quality companies with distinct competitive advantages led by talented management teams—can help mitigate some of these risks while achieving sustainable growth that is competitive with other asset classes. This view is supported by the portfolio's higher earnings-per-share growth rate compared to the S&P 500® Index, despite trading at a significant discount based on its more reasonable earnings multiple. Our experience has shown us that such companies tend to generate robust and resilient cash flows that are recognized by the market over time. Moreover, we emphasize companies aligned with long-term secular themes, which can support demand and buffer short-term market fluctuations. Taken together, we think the portfolio is well positioned to navigate the potential challenges and opportunities that 2025 may bring.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. MSCI All Country World ex USA Index measures the performance of developed and emerging markets, excluding the US. The VIX Index estimates the expected volatility of the S&P 500® Index, calculated by using the midpoint of real-time S&P 500® Index option bid/ask quotes, and is commonly used to proxy market risk and/or uncertainty. 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 Dec 2024. 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 Dec 2024: UCB SA 2.9%, Argenx SE 3.9%, Amazon.com Inc 3.0%, Melrose Industries PLC 2.9%, Coca-Cola Bottlers Japan Holdings Inc 0.6%, Air Liquide SA 3.0%, Nippon Sanso Holdings Corp 1.3%, Novo Nordisk A/S 2.1%, Anheuser-Busch InBev SA/NV 1.4%, Flutter Entertainment PLC 0.9%, Aon PLC 2.7%, UniCredit SpA 0.5%, National Grid PLC 4.9%. 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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Destocking is a planned reduction of inventory when expected demand goes down. **Operating Leverage** is a measure of how revenue growth translates into growth in operating income. **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. **Earnings Multiple** or **Price-to-Earnings Ratio** is a valuation ratio of a company's current share price compared to its per-share earnings.

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