Artisan International Explorer Fund

QUARTERLY Commentary

Advisor Class: ARDBX | Institutional Class: ARHBX

As of 31 December 2025

Investment Process

We seek to invest in high-quality, undervalued businesses that offer the potential for superior risk/reward outcomes. The investment universe is generally non-US equities with market caps below $5 billion.

Undervaluation

Determining the intrinsic value of a business is the heart of our research process. Intrinsic value represents the amount that a buyer would pay to own a company's future cash flows. We seek to invest at a significant discount to our estimate of the intrinsic value of a business.

Business Quality

We seek to invest in companies with histories of generating strong free cash flow, improving returns on capital and strong competitive positions in their industries.

Financial Strength

We believe that investing in companies with strong balance sheets helps to reduce the potential for capital risk and provides company management the ability to build value when attractive opportunities are available.

Shareholder-Oriented Management

Our research process attempts to identify management teams with a history of building value for shareholders.

Portfolio Management

Beini Zhou, CFA
Co-Portfolio Manager

Anand Vasagiri
Co-Portfolio Manager

N. David Samra
Managing Director

Investment Results (%)

			Average Annual Total Returns				
As of 31 December 2025	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Advisor Class: ARDBX	**-0.55**	**18.23**	**18.23**	**14.67**	—	—	**11.14**
Institutional Class: ARHBX	**-0.56**	**18.31**	**18.31**	**14.71**	—	—	**11.20**
MSCI All Country World ex USA Small Cap Index	2.96	29.26	29.26	15.61	—	—	11.81

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Advisor (16 May 2022); Institutional (16 May 2022).

Expense Ratios (% Gross/Net)*	ARDBX	ARHBX
Annual Report	1.25/—	1.20/—
Prospectus	1.46/1.42	1.40/1.36

*Unsubsidized/subsidized. Annual Report: 30 Sep 2025. Prospectus: 30 Sep 2024. Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2027. See prospectus for further details. Annual report figures: Excludes Acquired Fund Fees and Expenses as described in the prospectus.

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. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

End of an Era

With Warren Buffett announcing his retirement, we find ourselves reflecting on the footprints he's left in our own investment journey. Buffett's wisdom is like duct tape—simple, reliable and handy in just about every situation. So, in the spirit of the Oracle of Omaha, let's tip our hats to a few of his timeless principles, share how they shape our thinking and see how his stock selection paradigm can apply to some of the top holdings in our portfolio today.

Below are what we consider some of Buffett's bedrock rules:

- **Rule #1: Don't lose money. Rule #2: Never forget Rule #1.** Buffett's wisdom is simple but not easy. He reminded us that the real risk isn't a mark-to-market red number on our screens from short-term market fluctuations but a permanent loss of capital. A string of good years can be wiped out by one big speculative mistake or by following the herd. That's why lemmings were never our favorite rodents. We stick to our four key criteria, keep our underwriting standards tight and always insist on a margin of safety, no matter the market mood or what central banks are up to.

- **Benchmark Agnostic:** While Buffett compared Berkshire's performance to the S&P 500® Index, he never tried to game the benchmark or worry about tracking error. We share this philosophy. We don't lose sleep over what's in our index or concern ourselves with matching sector or country weights. If we don't see a fat pitch, we don't swing. We're not here to mimic an index or chase the latest hot sector. We're here to find asymmetric risk-reward, wherever it may be.

- **Long-Term Ownership:** Buffett said to buy only what you'd be happy to hold if the market shut down for 10 years. Our investment horizon is four to five years, and we're perfectly content to hold on to our investments as long as management keeps delivering and valuation stays reasonable.

None of this is to say that Buffett is without his shortcomings or hasn't made his share of errors of omission. However, we admire his accountability. By his own admission, during the 2019–2023 period, he used the words "mistake" or "error" 16 times in his annual letters. More importantly, Buffett adapts. He's gone from joking that he would call a 1-800 hotline any time he thinks about investing in an airline to later diving back in as industry dynamics improved, and he's learned to embrace technology companies that have evolved into dominant, durable franchises. He is also mindful of macro risks and is willing to adjust accordingly as seen in the structure of his recent investments in Japan. We strive to emulate this flexibility, keep that same open approach to our mistakes of omission and commission (more on this later), and make our own adjustments as the world moves and evolves ever faster.

Buffett has notably invested in companies such as Clayton Homes, Precision Castparts, Benjamin Moore and GEICO over the years. These companies share characteristics such as material tangible asset support, long asset lives and slower changing industry dynamics that investors following in his footsteps can seek out in their own investments.

We have added many companies with such characteristics into our own portfolio:

- Glenveagh (10.5% weight): Our largest position is a leading Irish homebuilder with growing structural cost advantages, strong capital allocation and exposure to a market with a persistent housing shortage and a business-friendly macro environment.

- Elementis (5.4%): A specialty chemical company listed in the UK that owns a unique mineral asset in the US and holds strong positions in niche products serving major end markets, such as personal care and industrial coatings.

- Impro (4.2%): A Chinese precision casting company. Its leader is a disciplined founder-operator with significant skin in the game. It serves both traditional industrial sectors and new growth areas such as data centers.

- Kansai Paints (4.1%): Kansai Paints is a leading industrial and architectural coatings company listed in Japan with a broad global footprint.

- Sabre (2.9%): Sabre is a niche specialty auto insurer in the UK. It has an enviable track record in pricing and underwriting. The company is focusing on upgrading its technology and data analytics to strengthen its position.

On the other hand, we own some names that stray from this pattern—companies that meet our disciplined underwriting standards but may not have the typical Buffett investment characteristics. Our portfolio names in this category include pure play software or services businesses in specialized niches serving end-markets tied to fast-changing innovation and tech cycles. Examples of such portfolio names are as follows:

- Zuken (6.5%): In a world where chip and electronics designs are increasingly critical, Zuken, a Japan-based software maker whose products help engineers design printed circuit boards and wire harnesses, is well positioned to benefit from the proliferation of electric vehicles, factory automation equipment, humanoid robots, etc.

- Alten (7.4%): A France-based outsourced R&D provider run by strong operators, Alten serves a diverse range of industries and is structurally poised to benefit from increasing amounts of R&D and accelerating product innovation.

We stick to the key principles that made Buffett a legend—margin of safety, asymmetric risk-reward, deep due diligence and a dash of curiosity—but we're not afraid to color outside the lines when the odds are in our favor. As always, we're invested right alongside you and appreciate your trust and partnership.

What We Bought and Sold in the Quarter

We did not initiate any new names in the quarter. It was not due to a lack of activity on our part. This was one of our most traveled quarters, flying to Asia and Europe multiple times. We visited new names as well as names on our watchlist. While many investors are chasing artificial intelligence (AI)-related themes with seemingly little regard to price or valuation, a lack of new names in the portfolio this quarter reflects our discipline to only initiate a position when the share price drops below our buy price.

We sold out of U-Blox in the quarter in a tender offer from a private equity firm. The Switzerland-based maker of satellite positioning semiconductor chips received a takeover bid approved by its board in the prior quarter. We're glad a third party has independently validated the value of the business we identified barely a year ago.

Top Contributors and Detractors

Our portfolio fell 0.55% during the quarter (advisor class), while our benchmark rose 2.96%. For 2025, our portfolio was up 18.23%, while our benchmark returned 29.26%.

We think it's more instructive to look at our relative performance on a full-year basis. We believe there are three factors behind our big underperformance in the following order of importance:

- Our significant lack of exposure to certain industries that did really well in the benchmark hurt us greatly, notably metals and mining and banks. In general, we regard these areas of the benchmark as commodity-based in nature, and most companies in them do not pass our business quality filter, regardless of their valuation. However, we don't entirely shun those industries as exceptions always exist, usually run by outstanding capital allocators. We have spent our fair share of time looking for outliers in these industries but haven't found one that meets all our criteria.

- A few names in our portfolio issued profit warnings, which led to big share price declines in the year. Two of the worst such detractors were FDM, an information technology training and staffing business in the UK, and IQE, a UK-based compound semiconductor wafer business. We did not trim either position, as we believe their final chapters have not been written yet. However, we're no ostriches with our heads stuck in the sand. We continue to re-underwrite our investment theses. We visited both companies last quarter, and we are willing to change our mind if the evidence starts to point in the other direction.

- Our elevated cash level did not help in a big up year. We want to remind clients that we never aim for any particular level of cash. The cash level shown at every period end is nothing more than a residual after allocating what we consider to be an appropriate amount to each name in the portfolio. Cash remains elevated due to higher-than-usual sales proceeds from takeovers during the past year. We never want to rush to redeploy these proceeds just to hit a certain target level of cash.

On a positive note, we enjoyed more than our fair share of takeover bids in 2025. Of the roughly 35 names in our portfolio, four received a takeover bid; two were completed, including U-Blox, as mentioned earlier. Their combined position size before the bids surfaced was about 5% of the portfolio. We have always argued that we're running an alpha-generating wealth-creation vehicle, not something that gives our clients broad exposure to the non-US small-cap universe. We believe the number of takeover bids in the portfolio last year is arguably the best evidence.

Our top contributors in Q4 included Allfunds, Vitzrocell and Impro.

Allfunds, headquartered in London, operates a two-sided marketplace to connect asset managers with financial distributors. Acting as a digital one-stop shop, the platform allows asset managers to list their investment products while providing distributors, such as banks and wealth managers, with a single point of access to trade on hundreds of thousands of different funds. These investment funds are highly regulated in the EU, and they operate much like US mutual funds. Allfunds' centralized marketplace—the biggest of its kind, with over 25% share in the European fund industry—eliminates the need for thousands of individual contracts and substantial operating and compliance overhead, creating powerful network effects as more participants from both sides join the platform.

We initiated this position in Q3 2023. A new CEO joined this past summer, and she planned to unveil her strategies in a capital markets day scheduled for this coming March. We were thus pleasantly surprised when Deutsche Boerse, the German stock exchange operator that owns a competing platform, announced during the quarter that it entered exclusive talks to acquire Allfunds at a substantial premium. The deal is currently subject to due diligence, board approval and eventual regulatory reviews.

Korea-based Vitzrocell is one of the world's biggest primary lithium-ion battery providers. "Primary" here means non-rechargeable. Unlike the batteries used in smartphones or electric vehicles, primary batteries are typically required to last for 10 to 15 years without replacement or recharging. Therefore, customers demand high reliability from vendors, and it takes years of testing just to qualify for customers' approved vendor lists. This is a relatively niche market with a global market size of around $1 billion. The biggest player is France-based Saft with close to 40% market share; it was bought by Total, the French oil and gas giant, some years ago. We believe Vitzrocell is second in the world, with around 15% share, but it is the largest player in the smart meter end market, and batteries used in smart meters account for a bit over half of its total sales. It has continued to gain market share over the years thanks to product quality, continuous R&D, superb technical service and competitive pricing.

Vitzrocell has benefited from the growing defense industry in recent years, driven by increasing geopolitical tensions across the globe. Over a quarter of its total revenue now comes from defense, where it supplies primary batteries for missiles and artillery systems. We've owned this name since fund inception, and its valuation on a P/E ex-cash basis has now risen to roughly the mid-teens, still quite reasonable for a business we expect should continue growing at a double-digit rate over the medium term.

Impro, the Chinese industrial precision components maker listed in Hong Kong, was again a top contributor in the quarter. In fact, it was the best performing stock in the portfolio in 2025, with its share price more than doubling. As we commented earlier last year, it inadvertently became our AI play as investors woke up to its role in the ongoing AI-driven data center construction boom. Diesel engines are needed as backup power sources in every data center, and Impro makes key components for high-power diesel engines manufactured by US and Europe-based companies.

A year ago, with President-elect Donald Trump threatening tariffs on major exporters upon his return to the White House, it was unthinkable that Impro's share price would do as well as it did this year, given a material portion of its business is exports from China to the US. What do we make of the fact that one of our best performing stock in 2025 happened to be the holding hit hardest by tariffs? We believe there's no better way to illustrate that we're bottom-up stock pickers, meaning we always analyze macro risks in the context of individual stocks. Our bottom-up analysis from a year ago showed that there is little cost-competitive domestic supply capacity, even with a punitive tariff slapped on goods shipped from China. If we had simply analyzed macro or geopolitical risks in a vacuum, we would've, logically but wrongly, sold out of this name a year ago.

Our top detractors in Q4 were IQE, Zuken and Steadfast.

IQE is a UK-based upstream compound semiconductor wafer provider and is one of the few players globally with the know-how. We initiated this position at around GBP 30 pence per share at fund inception in May 2022. Its share price was down 33% in the quarter, finishing at 5 pence per share. It's been a painful ride to say the least. The silver lining, if there is one, is that our capital investment was small, less than 1.5% of our portfolio at initiation.

In hindsight, we misjudged two things. First, we overestimated its balance sheet strength. Even though its net debt position was never considered high by traditional measures, it was running into liquidity crunches of late due to the cyclical nature of the industry, recent years of negative free cash flow and a lack of established credit facilities with major banks. Second, we misjudged former CEO Americo Lemos, who ran the business for three years through late 2024. He's a salesman by background, but he lacked the operating rigor to contain costs, which compounded the balance sheet issue.

New management and a new chairman came in about a year ago, and they have been proactively considering various strategic options, including asset sales or a sale of the entire business, while tightening cost discipline at the back end. We believe it is now worth a lot more dead than alive, meaning the sum of its various assets, including the one in the US with a dominant market position serving key defense customers, is worth much more than its current share price. Therefore, we're holding onto this position.

Zuken develops and sells industrial design automation software out of Japan. Its software helps engineers design printed circuit boards as well as wire harnesses, both of which are used across a diverse set of end markets, including auto, aerospace, machinery, medical device and energy. It reported unremarkable fiscal Q2 results, growing at a mid-single-digit pace year-over-year, while maintaining its full-year guidance. This likely led to a 6% drop in its share price this quarter. We commented last quarter that, as long-term shareholders, we focused far more on its ability to meet its three-year medium-term plan than its quarterly earnings fluctuations. Its valuation on a P/E ex-cash and investments is in the low teens, a level we consider compelling for a globally competitive software business in Japan.

Steadfast is an Australia-based insurance broker serving small- and medium-sized enterprises. It has roughly one-third of the country's broker channel. When a small business, such as a dental practice, wants to insure against certain business risks, Steadfast helps the business owner place the insurance needs with a property and casualty (P&C) insurance company. Steadfast's primary revenue source is commissions. We generally like the insurance brokerage business model because it is asset light with a high margin and return on capital, plus its book of business tends to be quite sticky. We've owned this name since inception, and its share price has been slightly up since then.

Two things happened this quarter that we believe led to its 10% share price drop. First, news came out that its founder/CEO, Robert Kelly, was under investigation for alleged personal misconduct. A few weeks later, his name was cleared, and he was reinstated as CEO. Second, it revised down its growth target for the current fiscal year due to softening growth in insurance premium rates. The insurance industry has its own pricing cycles, which can differ from the normal inflation cycles in the rest of the economy. During so-called hard years, insurance premium rates go up, and vice versa during soft years. The global P&C insurance industry has experienced more than five consecutive hard years, so we're not surprised that industry pricing is now starting to decelerate. Nonetheless, we believe Steadfast remains well positioned structurally as the largest insurance broker in Australia. We added to the position in the quarter.

Top 10 Holdings (% of total portfolio)

Glenveagh Properties PLC	10.5
Alten SA	7.3
Zuken Inc	6.5
Elementis PLC	5.4
Signify NV	4.7
Impro Precision Industries Ltd	4.2
Kansai Paint Co Ltd	4.1
Steadfast Group Ltd	3.7
Vitzrocell Co Ltd	3.0
Kingfisher PLC	3.0
TOTAL	**52.5%**

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.

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ESG assessments represent one of many pieces of research available and the degree to which it impacts holdings may vary based on manager discretion.

Contribution to Return (CTR) represents the contribution of an investment to the total portfolio return. CTR is calculated by multiplying a security's portfolio weight by its in-portfolio return daily for the period and has been derived from a transaction-based methodology, which includes the impact of transactions. **Attribution** quantifies the relationship between a portfolio's relative returns and the active management decisions differentiating the portfolio from the benchmark. **CTR and Attribution** are not exact, nor representative of actual investor returns due to several variables (e.g., fees, expenses, transactions) and therefore should be considered an approximation and examined in conjunction with the performance of the portfolio during the period. If applicable, securities of the same issuer are aggregated and may be delta-adjusted to determine the weight in the portfolio, and aggregation of corporate affiliates is subject to the determination of Artisan Partners. Further information on the methodology used is available upon request.

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