Artisan International Value Fund

QUARTERLY
Commentary

Investor Class: ARTKX | Advisor Class: APDKX | Institutional Class: APHKX

As of 31 December 2025

Investment Results (%)

			Average Annual Total Returns				
As of 31 December 2025	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTKX	**4.24**	**22.50**	**22.50**	**16.92**	**11.65**	**9.91**	**11.79**
Advisor Class: APDKX	**4.27**	**22.65**	**22.65**	**17.08**	**11.80**	**10.06**	**11.87**
Institutional Class: APHKX	**4.31**	**22.80**	**22.80**	**17.21**	**11.91**	**10.16**	**11.99**
MSCI EAFE Index	4.86	31.22	31.22	17.22	8.92	8.18	7.99
MSCI All Country World ex USA Index	5.05	32.39	32.39	17.33	7.91	8.41	8.27

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (23 September 2002); Advisor (1 April 2015); Institutional (1 October 2006). 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.

Expense Ratios	ARTKX	APDKX	APHKX
Annual Report	1.18	1.05	0.95
Prospectus	1.21	1.06	0.97

Annual Report: 30 Sep 2025. Prospectus: 30 Sep 2024. 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.

Dear Shareholder:

The net asset value of the Artisan International Value Fund rose by 4.24% during the quarter (investor class) while the MSCI EAFE Index rose by 4.86%. Over the last one, three and five years, the annualized returns for the Artisan International Value Fund are 22.50%, 16.92% and 11.65%, respectively. Since the inception of the Fund in 2002, the average annual total return is 11.79%.

Investing Environment

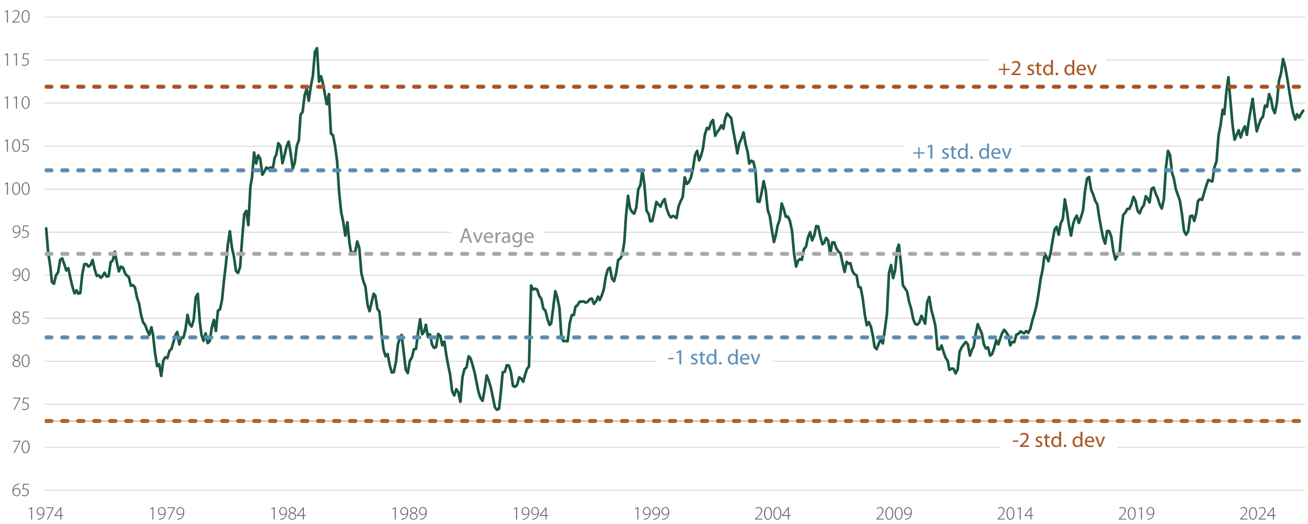
US equity market returns in 2025 (18%, as measured by the S&P 500® Index) were better than most years. Based on the increase in market value of the MSCI USA Investable Market Index, wealth created was about $10 trillion. Investors should be pleased—until they consider what took place outside the United States. Despite the bull market for US-based investments in artificial intelligence (AI), the best returns were elsewhere. The MSCI Japan Index rose 25% in 2025. In Europe, of all places, stocks rose more than 6% in Q4 and 35% for the year as measured by the MSCI Europe Index. Notably, the best returns in Europe did not come from technology stocks; the key drivers for 2025 were financials (68%), utilities (53%) and industrials (42%, driven by defense stocks increasing 79%). Defense stocks have a big tailwind from increased government spending, but most other gains came from companies that traded at very low valuations before the rally. A terrific validation of value investing.

Emerging markets also did well—the MSCI EM Index was up just under 5% in Q4 and over 33% for the year. We would be remiss if we failed to mention one of the most spectacular gains we have seen in a single year. The MSCI Korea Index doubled in 2025, in this case driven by tech stocks Samsung Electronics (more than doubling, up 131%) and SK Hynix (up an astonishing 286%).

It is important to note that currency strength was another significant contributor to European gains in 2025. The euro, pound sterling and Swiss franc all appreciated relative to US dollar, by 12%, 7% and 13%, respectively. With the exception of the Japanese yen and Indian rupee, the dollar weakened against most major currencies. Gold, which we consider a currency, appreciated by 53% relative to the dollar.

Of course, returns on investments outside the US—to a US investor—are partially dependent on currency. As a result, we analyze and think about where the US dollar (our clients consume in dollars) trades on a value basis relative to the currencies in which our companies operate. Last year we published a graph on the historical strength of the US dollar since 1974. An updated version is below. We conclude that while the dollar has come off its peak, it remains toward the top end of its relative value range.

Exhibit 1: Historical Strength of the US Dollar Since 1974 Adjusting for Inflation



Source: Bank for International Settlements. Data through 30 Nov 2025, as of 15 Jan 2026. Effective exchange rates, BIS WS_EER 1.0 (data set). The Real Broad Effective Exchange Rate (REER) is an index that measures the value of a country's currency relative to a basket of other major currencies, adjusted for inflation differentials. Data before 31 Jan 1994 is backfilled using the Real Narrow Effective Exchange Rate.

A Note on Performance

This letter serves as a report card to our investors. Similar to last year, we will lay out where the majority of money is invested and how we see both the risks and opportunities for the companies in the portfolio. Last year, we noted that a significant part of the portfolio was fairly valued and that we would spend the year reinvesting those assets and the portfolio's considerable cash pile. Though we have made significant changes to the portfolio, given the appreciation of most of the securities, we find ourselves in a similar position to where we ended 2024—with both a considerable cash pile and many of the large investments at or close to our estimates of fair value. Hence, our efforts in 2026 will largely mirror what we did in 2025. An investor's job is never done.

Those clients that were invested in the portfolio all year are sitting on 23% more dollars today than they had invested in the portfolio at the beginning of the year. That fact has had a mixed reception. Objectively, 23% is a considerable return. A fellow investor—I'll call him IBJ—was so impressed that he offered to buy dinner with no financial limits (on most occasions this investor is unwilling to pay anything for dinner). On the other hand, many of our clients have a relative performance mandate. It is therefore very painful for them to report to their clients that their manager has underperformed a broad-based index by around 900 basis points. Compared to a value index, which we don't recommend as a benchmark, the underperformance in 2025 was considerably worse.

Over any given time period, you can point to many reasons for underperformance. In this case we would highlight the big run-up in financials and utilities in Europe. Of course, banks, insurance companies and utilities carry significant leverage and are heavily regulated. In most cases, these companies fall outside of our investing discipline. We simply believe that over time it is best to avoid leverage, especially when it is combined with regulatory oversight. It is unlikely that we will ever have outsized investments in these industries.

In addition, given the scale at which we operate, we are more likely to be invested in multinationals. These companies operate across currencies and therefore have natural exposure to the US economy. The decline in the US dollar in 2025 hurt earnings power and business valuation. Mechanically, multinationals will lag fully domestic companies like banks during periods of dollar depreciation.

We also made mistakes. In our efforts to redeploy capital to new, more undervalued businesses, we have been early in some of our investments. Companies in the chemical industry such as Brenntag and DSM Firmenich have continued to suffer from negative sentiment. Those businesses are in a European industry under attack from Chinese competitors dumping chemicals creating oversupply and weakening pricing power. We also invested too early in Diageo, the world's largest liquor company. The alcohol industry continues to suffer from a downturn in consumption from both changing drinking habits and affordability issues. We continue to like the quality and leadership of these businesses and are more encouraged at today's lower valuations.

The share price of Sodexo declined by 34% this year as the company continues to lose market share and has stopped growing. The competitive dynamic became too fierce for this well-positioned company to win.

"When a management with a reputation for brilliance tackles a business with a reputation for bad economics, it is the reputation of the business that remains intact."—Warren Buffett

We inverted Buffett's logic. We believed the strength of the business would largely compensate for mediocre leadership, but in this case, management retained *its* reputation. A new CEO has been appointed. The shares trade at 9X earnings today. If the company can be revived, returns from this level could be spectacular.

We have operated for 23 years with an unwavering commitment to our investment philosophy. As value investors, we invest in companies that trade at a meaningful discount to our estimate of intrinsic value. To enhance the odds of success and to manage risk, we focus our capital on companies that in our analysis are good businesses with strong balance sheets and are operated by able management with a track record of creating per share intrinsic value. Our objective is to create wealth without taking outsized risk. If we do our job well, capital is invested in a portfolio of undervalued businesses with bright futures that generate cash that is deployed smartly by exceptional leadership. That puts us in a position to generate very good absolute and relative returns over time.

Portfolio Discussion

To be successful, then, the speculator must know a great deal more than merely enough of general conditions to determine the trend of the general market. He must be a student of values in individual securities. To appraise values in individual securities he must know something about a great many different businesses. He must know in a general way the trade practices in the rubber industry, understand the colono system in the sugar industry, be familiar with depreciation practices among the public utilities, appreciate the significance of ton-miles and many other technicalities of railroading. Above all he must know something of accounting. He must study financial statements as intently as the banker does those of the applicant for credit, though from a different view-point. The question of ascertaining trend of the market is important to the speculator, but it should not rank any higher in importance than the question of intelligent selection of his vehicles.
—*The Art of Speculation*, Philip L. Carret

At the end of 2025, just over 45% of invested assets were in the following vehicles:

Exhibit 2

Shares Owned	Name of Company	Market Value
40,037,740	Samsung Electronics Co Ltd	$3,069,148,708
20,199,226	Danone SA	$1,822,613,652
22,981,540	ABB Ltd	$1,718,175,481
12,291,689	Novartis AG	$1,700,756,362
17,126,653	Arch Capital Group Ltd	$1,642,788,556
34,132,272	UBS Group AG	$1,592,638,269
23,218,976	Unilever PLC	$1,520,927,219
54,609,089	Koninklijke Philips NV	$1,491,464,216
20,103,733	Brenntag SE	$1,170,899,952
25,934,279	Suncor Energy Inc	$1,151,081,037
Total		**$16,880,493,452**

Source: Artisan Partners.

Samsung Electronics, one of the world's largest technology companies, was the best-performing stock in the portfolio in 2025, appreciating by just under 130% in dollars. We have written extensively about this business given its importance to the portfolio. Although Samsung is well known for cell phones and televisions, the most important driver of profits and potential lies in its semiconductor business. Samsung is the global leader in the manufacture and sale of memory semiconductors. For most of our 12-year holding period, Samsung maintained technological, cost and scale advantages over its competitors. As we entered 2025, Samsung's memory business had fallen behind and had to retool. Simultaneously, the foundry business remained under pressure due to performance issues. Expectations at the start of the year were very low, resulting in the stock trading around 1X book value.

Under new leadership in its semiconductor business, Samsung marked significant progress in 2025. The company caught up to its competitors in the cutting-edge DRAM market known as HBM (high bandwidth memory) and now believes it can reclaim technology leadership. HBM is significant because it is a higher specification, higher price, and higher margin product primarily used for AI infrastructure, which could lead to better product mix and profit margins for Samsung. More broadly, because HBM requires much higher capacity than traditional DRAM, the surge in demand for AI data centers has created a supply/demand imbalance in the traditional DRAM and NAND memory markets. DRAM prices increased 50% in Q4 and are expected to increase another 40% to 50% in Q1 2026, driving renewed interest in the share price. Samsung stands to significantly increase profits in the coming year.

Samsung also reported good news in foundry—effectively outsourced manufacturing of semi-conductors for chip design companies like NVIDIA, AMD and Qualcomm. Samsung's foundry business has been losing money for years due to low production yields. The same team that resurrected the memory business is now managing the foundry business. During the year, Samsung announced a $16.5 billion multiyear foundry contract with Tesla—a vote of confidence in Samsung's leading-edge 2-nanometer process at its new Taylor, Texas, fab. Samsung also has an ongoing foundry partnership with Groq (a chip company, not to be confused with Grok, the large language model developed by X). Samsung foundry also broke the lock Sony had on the manufacture of image sensors, and the press is reporting that Samsung is negotiating to manufacture AMD-designed processors. If Samsung can successfully manufacture chips for these clients, the proof points could attract additional customers and position the company as a viable alternative to Taiwan Semiconductor (TSMC) for advanced chip manufacturing. TSMC is the dominant provider of foundry services—financially strong, fast-growing and highly profitable, with a valuation over 20X expected earnings. Any approach Samsung makes toward this financial profile would benefit shareholders significantly, especially since foundry is a secular growth business rather than a cyclical one.

Expected margins across the memory semiconductor industry are now the highest in several years. But this remains a cyclical business at a company with subpar, albeit improving, corporate governance. We are mindful of the market's exuberance around memory pricing and the company's revaluation to 2.1X book value and 13X our estimate of normal earnings (after adjusting for its healthy net cash position).

Danone's share price increased by 35% in 2025, one of the best-performing large-cap consumer stocks in the world. The rise in Danone's share price reflects the attractive secular growth of Danone's products: yogurt for gut health and protein, infant nutrition, adult medical nutrition and water with its leading Evian brand. Investments behind the company's brands paid off in 2025. Through the first nine months of the year, the company reported mid-single-digit growth in revenue driven by both volume and price increases across the company's categories. The main driver was Danone's booming nutrition and water business in China. We forecast an improvement in operating margin for the year, resulting in constant currency profit growth in the mid-single digits. As you can see, the increase in share price was well above profit growth. As value investors, we get what is known in sophisticated financial circles as a two-for-one deal: we benefit from growth in the underlying value of the business (growth in sustainable profits) and from the market starting to properly value those increased profits (the multiple applied to those earnings increases). At today's share price, we believe Danone is fairly valued at just under 19X our estimate of 2026 earnings.

The portfolio first invested in **ABB** in 2014. The company manufactures a wide variety of electronic products used in low- and mid-power infrastructure, factory automation equipment, HVAC components, robots, mining equipment and marine propulsion, among others. This is a very large company generating roughly $33 billion in revenue and today is highly profitable. We expect profit margins in 2025 to approach 20%, which compares favorably to the roughly 10% operating margin when we initially purchased the stock. In 2025, revenue growth and new orders were strong, driven by continued demand for automation, electrification and infrastructure-related electronics. Part of that demand stems from data center growth, which has attracted particular attention. As a result, ABB's share price increased by 40%, making it the seventh-largest contributor to performance in the portfolio. Similar to Danone, the share price increase significantly outpaced earnings growth, leaving the shares fully valued at more than 25X our estimate of 2026 earnings.

The share price of **Novartis,** the world's largest pharmaceutical company outside the United States, increased by 47% in 2025 making it the fourth-largest contributor to the portfolio's performance. Though Novartis, like many large pharmaceutical companies, faced significant patent challenges during the year, growth in newly launched drugs has more than offset declines in off-patent drugs. We expect the company to grow revenue and operating profit by 5% and 10% respectively in 2025, with growth accelerating in 2026 and 2027 driven by recent launches. Despite the significant share price increase—well above profit growth—we believe the shares remain undervalued at 15X our estimate of 2026 earnings.

Arch Capital is a Bermuda-based property and casualty insurance company that we have held in the portfolio since 2003. The company operates in three segments: insurance, reinsurance and mortgage insurance. Insurance is a cyclical market based more on a pricing cycle rather than a demand cycle. Demand for insurance grows over time due to general inflation in the value of insured property (buildings, homes, cars, etc.) and the ever-increasing cost of liability (medical malpractice, product liability, pain and suffering judgements, etc.). Enhancing that growth are new areas of vulnerability such as cell phone and cyber-attack insurance. Unfortunately, the fragmented nature of the industry and the ease of entry and the forced exit of capital based on losses or profits can create boom-and-bust cycles. Underlying these cycles is a financially fantastic business where cash is paid up front by the customer. That cash can be held and invested while waiting for claims, if any, to be paid. If management is disciplined, money can be made on both the premiums and the investments. That is what Arch's management has done. In 2003, the company was capitalized with just over $1 billion. As of Q3 2025, book value was reported at just under $24 billion. Book value per share has done even better due to shrewd share repurchases at attractive prices.

The insurance cycle has just started to come down from a peak in pricing. As a result, the market lost interest in Arch shares. In 2025, the share price increased by 4%, massively underperforming the market. Meanwhile, profits boomed. Using shareholder's equity as a proxy for business value, equity through Q3 increased by 14% from year-end 2024, net of 5% spent on share repurchases (share repurchases reduce the share count but also reduce shareholder's equity). With the year now complete, we expect the company will have grown shareholder's equity by closer to 20%. While the insurance market is expected to face challenges over the next few years, we anticipate that Arch will achieve a mid-teens return on equity again in 2026, supported by an embedded book of business written at attractive rates and the anticipation of good returns on the company's investment portfolio. We believe the shares are undervalued at 1.2X our forecast of 2026 year-end book value.

UBS is the world's largest wealth management company, headquartered in Switzerland. That Swiss domicile has historically been an advantage. Though Swiss bank accounts no longer allow most people to hide their assets, they do allow assets to be held in a historically neutral location. Many wealthy families and investors take comfort having their assets in a jurisdiction other than their home country. After all, you never know when a tyrant will take over or when financial calamity might strike. The financial strength of the Swiss institution, then, is crucial.

When Credit Suisse went bust over a winter weekend in 2023, the reputation of the Swiss banking industry was in danger. So was the Swiss economy, given Credit Suisse's massive size relative to Switzerland. For those with shorter memories, this event took place during a mini banking crisis. In the United States, the Federal Reserve had to step in to resolve several banks, including First Republic, Silicon Valley Bank and Signature Bank. The thrifty, well capitalized UBS took a gamble when it stepped in to resolve Credit Suisse. The capital invested by UBS was at risk given the uncertainty surrounding the value of Credit Suisse's assets in a crisis environment. The conservative shareholders of UBS could have ended up like the man who spent years living like a monk.

The Ultimate Hedge

A man spent 40 years living like a monk. He never took a vacation, drove a 20-year-old sedan, and ate nothing but generic-brand beans. He obsessed over his portfolio every single night, watching his savings grow into a massive $5 million fortune.

"*I'm waiting for the big one,*" he told his friends. "*The day I truly need it, I'll be the king of the world.*"

Finally, the day came. He felt a sharp pain in his chest. He rushed to the hospital and was told he needed a lifesaving, experimental heart transplant that cost exactly $5 million.

"*This is it!*" he cried. "*The moment I saved for! It's all been worth it!*"

He pulled out his phone to wire the funds, but his face went pale. He started shaking.

"*What is it?*" the doctor asked. "*The cost? The recovery time?*"

"*No,*" the man whispered, staring at his screen. "*I just realized... I followed a 'hot tip' this morning and put the entire $5 million into* **Credit Suisse**."

The doctor sighed, looked at his clipboard, and said, "*Well, look on the bright side. You don't need a heart transplant anymore. You don't even have a pulse.*"

By the end of 2024, Swiss regulators decided to focus mainly on the benefits of the acquisition to UBS shareholders rather than either the risk taken or the benefit to the citizens of the Federation. In an attempt to prevent a repeat of the Credit Suisse disaster, the government floated a proposal requiring UBS to hold an extra $24 billion of capital. This requirement, of course, would depress UBS' ROE, rendering the company uncompetitive in a market dominated by large US banks. Setting aside a couple of years' profit was not what shareholders had in mind. As a result, UBS' share price at the end of last year lingered around 10X our forecast of normalized earnings.

During 2025, UBS made clear that new capital requirements have implications beyond the immediate political objectives. That message was heard, and regulators and politicians in Switzerland have at least partially backed off. That helped the UBS share price in 2025, though the outcome is far from settled. The share price was also helped by a broad revaluation of most European banks and insurance companies. UBS was the third-largest contributor to the portfolio in 2025 as the share price increased by 56%.

Looking forward, we expect the company to earn roughly $11 billion in net profits once the Credit Suisse integration is complete. Although recent profits have exceeded our estimates and capital has accumulated beyond our initial 2023 assumptions, we have very little certainty regarding the amount of capital needed to meet regulatory demands. UBS does have options. Management has contemplated redomiciling to another country. The Trump administration is receptive to jobs and capital moving to America.

UBS' market value is now $159 billion. Though we do not believe that the shares are expensive, much of the prior discount caused by regulatory uncertainty has dissipated.

Unilever is a consumer goods conglomerate that manufactures and sells beauty, home care and food products. Some of the company's well-known brands include Dove, Vaseline, Pond's, Hellmann's and Knorr.

The company embarked on a restructuring and simplification program two years ago with three main components. The first is a focus on the company's largest brands. Unilever has 30 power brands that represent 75% of revenue. The second is a demerger of the ice cream business, which it successfully spun off in 2025. The third is cost efficiency and productivity—the company expects to save €800m over the three-year duration of the program, mainly through the reduction of 7,500 jobs. Financially, the company aims to grow the business sustainably at mid-single digits and achieve an operating margin above 19.5%.

The program has started to work. Revenue is growing at mid-single digits on an underlying basis—that is, before currency adjustments—and profit margins are stable to improving. Unfortunately, reported profits in euros are declining due to currency exposure. Two of Unilever's larger geographies are India and the United States. Over the last two years, the euro has appreciated by about 6% against the US dollar and about 15% against the Indian rupee. In dollar terms, including from the spinoff of Magnum ice cream, the portfolio has generated capital appreciation of about 17.5% over the last two years, plus about 3.7% in dividends. The market value of Unilever has increased despite no reported profit growth. At today's valuation, assuming the company achieves its objectives, the shares are only modestly undervalued.

Philips is a health care conglomerate operating across several verticals. Founded in 1891 as a lightbulb manufacturer, the company evolved into an industrial conglomerate in consumer electronics, machinery, domestic appliances, computers, records, and semi-conductors. Philips built several businesses that now dominate their industries, including ASML in semiconductor equipment and NXP semiconductors in industrial semiconductor. Philips was also a founder and major shareholder of TSMC, which today has a market value of just under $1.7 trillion. Unfortunately, Philips sold its shares in 2007 and 2008, generating approximately $7.4 billion in proceeds. Today, that 27.5% stake would be worth about $459 billion. Philips' market value today is $28 billion.

Over the past twenty years, Philips has narrowed its focus—a process we believe is nearly complete. The company operates in two segments: medical devices and consumer products. Over the next few years, we expect Philips will divide these remaining businesses.

About 65% of Philips' revenue comes from businesses we would consider advantaged: the personal health division (Sonicare toothbrushes, Philips shavers), ultrasound machines, patient monitoring devices, and image-guided therapy (IGT). IGT products combine imaging technologies with minimally invasive tools to perform a wide variety of surgical procedures. These businesses should grow at mid-single-digit rates and generate mid- to high-teens operating margins.

The other 35% faces slow growth, regulatory and legal challenges, and very low profitability. The company is working to repair these businesses.

Chairman Feike Sijbesma joined the company in 2021 expecting an easy job overseeing one of the Netherlands' blue-chip companies. Instead, he found a poorly controlled, overly complex remnant of an aging conglomerate. By mid-2021, Philips had to recall some of its respiratory devices, triggering significant regulatory and legal issues. Sijbesma took control, first dismissing the CEO and appointing a replacement. He has since replaced the CFO and most divisional management. The company has been restructured to reduce costs and bureaucracy—realigning the supply chain with product lines, revising incentives to sharpen business unit focus and improving the board.

We began buying shares in mid-2022 as the company's legal and operational issues became clear to the market. As is common, we were early, and a subsequent share price decline allowed for considerable averaging down. Since then, we have seen significant operational improvement. New leadership has resolved legal issues, implemented procedures to end regulatory oversight and reduced costs to improve margins.

As Philips entered 2025, external conditions worsened. The Chinese government clamped down on medical device purchases by hospitals, particularly from Western suppliers. The company experienced market share and distribution issues for its dental products in China. And tariffs were imposed by the Trump administration. Despite these significant headwinds, Philips modestly grew revenue in local currency through the first nine months of 2025. Substantial cost savings more than offset tariff costs and improved profitability. But modest growth left most investors uninterested, and the share price rose less than 7% in 2025—significantly underperforming equity markets.

As we enter 2026, Philips is poised to complete its restructuring. A focus on improving underperforming businesses should drive sales growth and margin improvement over the next couple of years. We estimate profit margins will rise from below 12% today to the mid-teens, placing the company at less than 15X normalized earnings.

Brenntag is the world's largest distributor of chemicals. Chemical manufacturers typically have a sales force and distribution network (ships, trucks, warehouses) oriented to serving large clients. To reach smaller clients, manufacturers employ chemical distributors. Distributors add value through bulk purchasing, efficient use of depots, storage tanks and warehouses, and in many cases, blending chemicals to meet specific client needs.

Demand for chemicals broadly follows economic growth trends. However, the largest markets—construction, housing and autos—grow slowly and are cyclical. The supply of bulk chemicals is also cyclical. Pricing has its ups and downs based on the supply/demand balance for these largely commoditized products. Since the end of the pandemic, the market for chemicals has been weak. The energy crisis in Europe combined with an incursion by Chinese manufacturers has weakened Europe's industrial base. Rising interest rates in both Europe and the United States have hurt the demand for new housing. The fickleness of electric vehicle subsidies, rising interest rates and aggressive Chinese competition have hurt American and European automakers. Exacerbating these conditions is the massive overproduction of chemicals in China. China has added substantial chemical capacity over the last few years, and that excess capacity has significantly reduced prices.

The combination of falling volumes and lower prices has caused both revenue and profitability for chemical distributors to decline. Investors have little interest in equities tied to this cycle, especially in an era of booming technology stocks. We believe current conditions are extreme—a cyclical downturn in both volume and price—and should improve. Regarding Brenntag specifically, we believe new leadership has an opportunity to enhance productivity and competitiveness in the short term. Over the long term, Brenntag can act as a consolidator of this fragmented industry.

Some of the issues impacting Brenntag are self-inflicted. Activist pressure caused a change in strategy a couple years ago. The company embarked on an expensive plan to divide its bulk and specialty chemical activities. This strategy has now been reversed—as these businesses share infrastructure that would have to be replicated, and Brenntag lacks sufficient scale in specialty chemicals to operate a viable standalone business.

In September 2024, a new CEO named Jens Birgersson was hired from Rockwool, a manufacturer of insulation and fire protection products. Over Jens' tenure (2015–2024) Rockwool's share price increased from $11 to nearly $45, a compound annual growth rate of around 15.5%. Though Jens has never run a distribution company, we like his no-nonsense approach and business acumen.

Jens pointed out to us that Brenntag is a 150-year-old company that has been entrepreneurial and acquisitive but has never gained operating leverage. The company never built any systems to achieve it, and there are no optimization processes managed across the organization. Brenntag's supply chain consists of 600 nodes made up of warehouses, labs and tanks. We believe that organizing this supply chain, which will take several years, will place the company in an unmatched position. More immediately, the company is reducing bureaucracy with a cost-saving objective of €300 million, which is expected to fall to the bottom line as other measures offset any inflation in the cost base.

We believe the company can achieve a 6% operating margin within the next two years, up from about 5.5% today. With modest revenue growth, we believe the company can generate earnings per share of €5. The share price trades at €50.

Jens characterized his endgame of turning this company into a polished diamond. If he achieves that objective, we expect the shares to trade well above 10X earnings.

Suncor Energy is a Canada-based oil company. We have little interest in commodity producers unless the company is a low-cost producer with a strong balance sheet and the price of the commodity is below the marginal cost of production. We made an exception to this rule in 2013 with an investment in a Canadian oil sands company called Imperial Oil. While Imperial had an exceptionally clean balance sheet, the company does operate in high-cost oil sands—that is the exception we made. There were several attractions. First, the company was toward the end of a massive investment in a new mine that added significant capacity. Second, the company is vertically integrated into refining. The Canadian refining industry is one of the most profitable in the world. Analyzed together, oil production plus refining at Imperial put the company in a very advantaged cost position. Third, we internalized the value of operating a mine in the oil and gas industry, a mine with a very long life, relative to the value of operating oil wells. Oil sands mines can dig up reserves for three or four decades, while oil wells can suffer production declines and become depleted over the course of a single decade. That reduces one of the largest costs in the industry, finding and developing new resources.

The investment in Imperial was ultimately successful. We also had a seat at the table to watch the CEO, Rich Kruger, manage the business. Rich was methodical in managing and improving operations. He eventually retired to Southern California expecting to read books and play golf.

Just before the pandemic, while visiting competitors to Imperial Oil, we came across Suncor Energy. Suncor had a great operating track record. The structure of its assets, both upstream and downstream, mirrored some of the advantages embedded in Imperial Oil. The company was going through a leadership transition and was trading at what we believed was an attractive multiple. Given the massive decline in oil prices during the pandemic, we had an opportunity to average down at even more attractive prices. However, months later we realized that management was not running the company well. Costs were growing ahead of production, and the safety record was terrible. We engaged with the board and came away convinced that the Chairman agreed there were problems that needed to be addressed. Following our engagement, an activist shareholder took a position in the stock. They took three seats on the board of directors and lobbied for new leadership. To our great fortune, the board was able to pry Rich Kruger away from his reading chair and the golf course.

Rich arrived at Suncor in April 2023. Suncor had consistently underperformed versus peers and even its own annual targets. Suncor's share price had massively lagged behind nearly all large-cap North American oil and gas companies. Rich's first action was to attack Suncor's bureaucratic culture and refocus the organization on its core mining and upgrading operations. Over the next year, Suncor reduced 10% of its workforce (all from jobs above the mine site level), yet safety, production and cost performance steadily improved. Suncor became a simpler and more focused organization. Operational-level employees were empowered to take their own actions to improve performance. In May 2024, a year after Rich took over, Suncor set ambitious three-year targets to grow free cash flow by C$3.3 billion (versus 2023's C$7.5 billion performance) and reduce its WTI breakeven price by 10 USD per barrel. A couple weeks ago, Suncor released its 2025 production results showing the company achieved these targets a year ahead of schedule. Refinery utilization grew from 93% in 2022 to 103% in 2025. Upgrader utilization at the core Oil Sands business has grown from 89% in 2022 to 99% in 2025. Oil Sands production grew from 690,000 barrels per day in 2022 to 860,000 barrels per day in 2025.

The market has noticed the improvement. Suncor's share price increased by 30% in 2025 and now sits at more than twice the average price paid by the portfolio when we first built our position in 2020. The shares no longer trade at any meaningful discount to our estimate of earnings power.

Perspective

The Artisan International Value Fund owns a portfolio of high-quality businesses, most of which have very strong balance sheets and experienced management teams. In aggregate, we expect that the value of these businesses will compound at a rate faster than average. However, the margin of safety embedded in the valuation of these businesses is not up to our historical standards. Our ambition is to widen the discount to intrinsic value of the portfolio by investing in new, more undervalued securities, through the growth in the underlying value of existing businesses and through the sale of securities at or above our estimate of intrinsic value. This process will be handled by what I believe is one of the best groups of investors in the industry, including, in alphabetical order, Paul Fagan, Ben Herrick, Robin Hollenstein, Ian McGonigle, Michael Minard, Charlie Page, Tyler Redd and Amy Sheng. We have included a picture that follows from an outing we took to Wing and Barrel Ranch in Sonoma so you can place some faces to the names.

Back row from left: Linda Yee, Paul Fagan, Brendan Duffy, David Hetzer, Ian McGonigle, Michael Minard, Brian Louko, Scott Bartley.
Front row from left: Bob Paulson, Angie Olson, David Samra.

Thank you for your support.

Sincerely,

N. David Samra

Portfolio Manager

Top 10 Holdings (% of total portfolio)

Samsung Electronics Co Ltd	7.3
Danone SA	4.4
ABB Ltd	4.1
Novartis AG	4.1
Arch Capital Group Ltd	3.9
UBS Group AG	3.8
Unilever PLC	3.6
Koninklijke Philips NV	3.5
Brenntag SE	2.8
Suncor Energy Inc	2.7
TOTAL	**40.2%**

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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. 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. Value 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 Emerging Markets Index measures the performance of emerging markets. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. MSCI Korea Index measures the performance of the large- and mid-cap segments of the South Korean market. The MSCI USA Investable Market Index (IMI) is designed to measure the performance of large-, mid- and small-cap segments of the US market. The index covers approximately 99% of the free float-adjusted market capitalization in the US. MSCI Europe Index measures the performance of large and mid-cap performance across 15 developed markets countries in Europe (Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom). MSCI Japan Index measures the performance of the large- and mid-cap segments of the Japanese market. This is not an offering of any investment products of services other than Artisan Partners Funds. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

The portfolio managers' views are subject to change, and Artisan disclaims any obligation to advise investors of such changes.

For the purpose of determining holdings, securities of the same issuer are aggregated to determine the weight in the portfolio. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. Further portfolio holdings information is available upon request. Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expenses.

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 holdings-based methodology, which uses daily positions and pricing rather than intraday 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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Free Cash Flow is a measure of financial performance calculated as operating cash flow minus capital expenditures. **Book Value** is the net asset value of a company, calculated by total assets minus intangible assets and liabilities. **Book Value per Share** is a ratio of a company's shareholders' equity and the total number of outstanding shares. **Earnings per Share (EPS)** is the portion of a company's profit allocated to each outstanding share of common stock. **Forward Earnings** are an estimate of the next period's earnings of a company, usually till the completion of the current fiscal year and sometimes to the following fiscal year. **Normalized Operating Profit** are profits adjusted to remove unusual or one-time occurrences. **Operating Leverage** is a measure of how revenue growth translates into growth in operating income. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings. **Standard Deviation** defines how widely returns varied from an average over a given period of time. Higher deviation represents higher volatility. **Operating Margin** is a measure of profitability equal to operating income divided by revenue. **Return on Equity (ROE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity.

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