



Artisan Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 April 2017

Commentary

Emerging markets stocks continued their upward trajectory in April, collectively widening their year-to-date lead over developed markets. Bolstering sentiment, China's economy grew at its fastest pace in six quarters—notwithstanding fears of overheating property markets and shadow banking-related financial repercussions. Elsewhere, Turkey was a standout performer as voters narrowly passed a referendum broadly expanding President Erdogan's powers, removing some overhang risk of political instability.

Our portfolio slightly outpaced the MSCI Emerging Markets Index. Among our largest contributors to performance were Samsung Electronics and NMC Health. Strength in Samsung's semiconductor business contributed to a sharp rise in the company's operating profit. More importantly, Samsung announced plans to cancel legacy treasury stock that will effectively remove 13% of outstanding shares from circulation—a move that will provide existing shareholders with more control and a greater share of earnings. We're pleased with Samsung's corporate governance improvement towards a more shareholder-friendly capital allocation and continue to hold Samsung as our largest position.

Shares of NMC Health—a leading operator of hospitals, medical centers and pharmacies across the UAE—rose on easing health care regulations in the UAE, including the removal of restrictions for certain IVF treatments—a key growth area for NMC that we believe will help sustain earnings growth over the long run.

Brazilian electric company CEMIG and Mexican ultra-low-cost carrier Volaris were two of our weaker performers. Questions surrounding the impact of injunctions preventing some of CEMIG's hydroelectric power plants to operate under original concession contract terms contributed to the company's recent share price weakness. We remain attracted to CEMIG's sustainable earnings prospects given its leading market position and diversified asset base.

In recent months, Volaris has faced elevated fuel prices, FX headwinds resulting from a sharp decline in the Mexican peso, and geopolitical concerns weighing on demand for international travel. We see these issues as transitory and remain attracted to Volaris's scale and brand advantages.

We initiated a new position in The Foschini Group, which operates a chain of clothing retail stores principally in South Africa. We believe the relatively high margins of all South African clothing retailers are under threat from newcomers like H&M and Zara. In that regard, we believe Foschini's investments in manufacturing and logistics will give the company an edge over local peers in terms of rapid response to market changes and minimizing discounting for unsold items, thus maintaining margins and enhancing ROE.

Portfolio Details

Net Asset Value (NAV)	\$13.81	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net ¹
Annual Report 30 Sep 2016 ²	1.85%	0.94%
Prospectus 30 Sep 2016 ³	2.41%	1.50%

¹Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2018. ²The Fund's annual report expense ratios reflect a one-time reimbursement by the Fund's custodian recognized by the Fund in the fiscal year ended 30 September 2016, which reduced the Fund's expense ratios by approximately 0.56%. ³See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Samsung Electronics Co Ltd (Korea)	7.0
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.2
Alibaba Group Holding Ltd (China)	3.8
Naspers Ltd (South Africa)	2.5
Hon Hai Precision Industry Co Ltd (Taiwan)	2.0
Reliance Industries Ltd (India)	1.8
Baidu Inc (China)	1.7
Sberbank of Russia PJSC (Russia)	1.7
ICICI Bank Ltd (India)	1.7
Zhuzhou CRRC Times Electric Co Ltd (China)	1.7
TOTAL	29.2%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EM ¹
Consumer Discretionary	14.7	10.5
Consumer Staples	3.7	6.9
Energy	7.5	7.2
Financials	22.7	24.0
Health Care	8.2	2.4
Industrials	7.6	5.8
Information Technology	26.1	25.1
Materials	6.4	7.3
Real Estate	0.0	2.5
Telecommunication Services	1.0	5.6
Utilities	2.0	2.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 4.3% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 30 April 2017	Average Annual Total Returns								
	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception ³
Investor Class: ARTZX	2.37	2.37	14.51	22.84	4.42	2.09	—	-1.78	
Linked Institutional and Investor Class ²							0.89		4.17
MSCI Emerging Markets Index	2.19	2.19	13.88	19.13	1.79	1.49	2.47	0.02	5.57
As of 31 March 2017									
Investor Class: ARTZX	2.90	11.86	11.86	21.27	3.39	1.00	—	-2.05	
Linked Institutional and Investor Class ²							1.00		3.98
MSCI Emerging Markets Index	2.52	11.44	11.44	17.21	1.18	0.81	2.72	-0.23	5.40

Source: Artisan Partners/MSCI. ¹Returns for periods less than one year are not annualized. ²Linked performance data shown relates to the Investor Shares from 2 June 2008 forward and for Institutional Shares prior to 2 June 2008.

³Institutional Class inception: 26 June 2006.

Performance of the Institutional Shares does not reflect higher expenses associated with the Investor Shares, and if reflected, would reduce the performance quoted. 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.

Region/Country Allocation (% of total portfolio equities)

REGION	Fund	MSCI EM ¹
EMERGING ASIA	56.4	71.5
China	18.1	27.1
Korea	14.5	14.9
Taiwan	10.4	12.3
India	7.3	8.8
Indonesia	4.5	2.5
Malaysia	0.8	2.5
Thailand	0.8	2.2
EUROPE, MIDDLE EAST AND AFRICA	20.5	15.5
Russia	6.7	3.7
South Africa	5.1	6.8
Turkey	2.4	1.1
Poland	1.6	1.3
United Arab Emirates	1.3	0.7
Czech Republic	1.0	0.2
Kenya	1.0	—
Greece	0.8	0.3
Kazakhstan	0.4	—
LATIN AMERICA	19.0	13.0
Brazil	8.7	7.4
Mexico	3.2	3.6
Argentina	2.9	—
Chile	1.7	1.2
Peru	1.5	0.4
Colombia	0.9	0.4
DEVELOPED MARKETS	4.2	—
United Kingdom	1.7	—
Hong Kong	1.3	—
Switzerland	0.8	—
Germany	0.3	—
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (MSCI). ¹MSCI Emerging Markets Index. Countries held in the index, but not held in the portfolio, are not listed.

Team Leadership



Portfolio Manager	Years of Investment Experience
Maria Negrete-Gruson, CFA	25

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.

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 markets. Such risks include new and rapidly changing political and economic structures, which may cause instability; underdeveloped securities markets; and higher likelihood of high levels of inflation, deflation or currency devaluations. 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.

MSCI Emerging Markets Index measures the performance of emerging markets. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Fund's total net assets as of 30 Apr 2017: Cia Energetica de Minas Gerais 0.7%; Controladora Vuela Cia de Aviacion SAB de CV 0.7%; NMC Health PLC 1.2%; The Foschini Group Ltd 1.2%. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

All information in this report includes all classes of shares, except performance and expense ratio information and as otherwise indicated, and is as of the date shown in the upper right hand corner unless otherwise indicated. Totals may not sum due to rounding.

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Country exposure percentages reflect country designations as classified by MSCI as of the date shown. Securities not classified by MSCI reflect country designations as of the date the report was generated. Sector exposure percentages reflect sector designations as currently classified by GICS.

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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