



Artisan Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 August 2017

Commentary

Emerging markets equities churned out another positive month in August, extending their now eight months-long lead over developed markets. Our portfolio outpaced the MSCI Emerging Markets Index in the month, benefiting from strength in our Russian and Taiwanese holdings. Conversely, our QTD performance trailed. Two of our non-benchmark holdings, Global Ports and YPF, were among our relative QTD detractors. Global Ports—the world’s largest cruise port operator—experienced some cruise traffic softness in Turkey, its largest market, in the months surrounding Turkey’s April 2017 constitutional referendum. While we continue to monitor the geopolitical climate, we see this as a shorter term headwind for the newly listed company. Ultimately, we remain attracted to the company’s strong cash flow generation and believe it’s uniquely positioned to consolidate a fragmented industry.

Shares of YPF—Argentina’s largest oil and gas producer—have been down amid political uncertainty leading into Argentina’s October 2017 mid-term election. We believe the market’s fears over the political landscape have been overstated and took advantage of share-price weakness to add to our position. YPF currently sits on the second-largest shale gas reserve and fourth-largest shale oil reserve in the world. Due to lack of investment over the last decade, Argentina is now incentivizing companies such as YPF to develop available resources, which would provide YPF with a long growth runway.

On the up side, among our positive relative QTD contributors were Sberbank of Russia and E Ink. Sberbank has posted two consecutive quarters of record profits as Russia’s economic recovery has translated into strong corporate lending. Separately, a court’s dismissal of a lawsuit against the bank has reduced some overhang risk. We remain attracted to the bank’s market dominance, impressive cost management and best-in-class risk-management capabilities developed through the use of big data analytics. Longer term, we believe Sberbank is the strongest positioned bank to capitalize on a resumption of credit appetite in Russia.

Taiwanese company E Ink, a non-benchmark holding, has a near-monopoly on the production of ePaper technology used in eReaders such as the Amazon Kindle. After a period of product development, E Ink is now achieving accelerating sales across a number of expanded applications such as outdoor signage, store shelf labels and wearables. Among the many benefits of its proprietary technology include very low power requirements/long battery life, high sunlight visibility and the ability to automatically update displays wirelessly. We’re pleased that the company’s investments are paying off and see room for expansion across multiple global end markets.

Looking forward, we remain optimistic about the emerging markets outlook generally, and are particularly encouraged by the strengthening ROE trend we’ve observed in the asset class since the start of 2016.

Portfolio Details

Net Asset Value (NAV)	\$15.43	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net ¹
Semi-Annual Report 31 Mar 2017 ²	2.24%	1.50%
Prospectus 30 Sep 2016 ³	2.41%	1.50%

¹Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2018. ²Unaudited, annualized for the six month period. ³See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Samsung Electronics Co Ltd (Korea)	6.7
Alibaba Group Holding Ltd (China)	5.8
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.2
Naspers Ltd (South Africa)	2.7
Hon Hai Precision Industry Co Ltd (Taiwan)	2.1
Sberbank of Russia PJSC (Russia)	2.1
Baidu Inc (China)	2.0
Reliance Industries Ltd (India)	1.9
Randgold Resources Ltd (United Kingdom)	1.9
Zhuzhou CRRC Times Electric Co Ltd (China)	1.9
TOTAL	32.2%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EMI ¹
Consumer Discretionary	14.6	10.2
Consumer Staples	2.6	6.6
Energy	7.1	6.6
Financials	22.3	23.9
Health Care	7.2	2.2
Industrials	8.6	5.5
Information Technology	27.5	26.9
Materials	7.3	7.5
Real Estate	0.0	2.8
Telecommunication Services	1.1	5.2
Utilities	1.6	2.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 2.0% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 31 August 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	2.73	7.38	27.94	25.64	4.96	5.92	—	-0.53	
Linked Institutional and Investor Class ²							1.03		5.08
MSCI Emerging Markets Index	2.23	8.32	28.29	24.53	2.38	5.30	2.43	1.32	6.53
As of 30 June 2017									
Investor Class: ARTZX	1.34	6.52	19.15	24.32	3.71	4.48	—	-1.31	
Linked Institutional and Investor Class ²							0.27		4.48
MSCI Emerging Markets Index	1.01	6.27	18.43	23.75	1.07	3.96	1.91	0.45	5.86

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	55.8	72.1
China	19.1	29.1
Korea	14.0	14.6
Taiwan	10.8	11.9
India	7.1	8.7
Indonesia	3.5	2.3
Malaysia	0.7	2.2
Thailand	0.7	2.2
EUROPE, MIDDLE EAST AND AFRICA	19.4	15.0
Russia	7.3	3.3
South Africa	5.4	6.8
Turkey	2.1	1.2
Kenya	1.2	—
Poland	1.0	1.4
Czech Republic	1.0	0.2
Greece	0.9	0.4
Kazakhstan	0.4	—
LATIN AMERICA	17.5	12.9
Brazil	8.6	7.2
Argentina	3.0	—
Mexico	2.3	3.6
Chile	2.0	1.2
Peru	1.5	0.4
DEVELOPED MARKETS	7.3	—
United Kingdom	4.8	—
Hong Kong	1.3	—
Switzerland	0.8	—
Germany	0.4	—
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	26

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. MSCI World Index measures the performance of developed 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 31 Aug 2017: E Ink Holdings Inc 0.8%; Global Ports Holding PLC 1.4%; YPF SA 1.4%. 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.

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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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