



Artisan Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 November 2017

Commentary

Emerging markets equities trailed developed markets in November, falling behind for the quarter though remaining solidly ahead year to date. Emerging markets technology stocks added to impressive YTD gains. Though tech stocks are just over a quarter of the MSCI Emerging Markets Index's weight, the sector contributed nearly half of the index's overall 3.7% QTD return. Similarly, tech companies contributed over 40% of the index's overall 33% YTD return. And almost half of the tech return came from just two of the index's heavyweights, Tencent and Alibaba—each up over 100% YTD.

Our portfolio trailed the MSCI Emerging Markets Index QTD, though it remained ahead YTD. Our lack of exposure to Tencent was the single largest relative QTD headwind. While we are compelled by Tencent's sustainable earnings growth prospects, we've thus far chosen instead to overweight other technology companies we see trading at more reasonable valuations (including Alibaba and Samsung Electronics)—though we are watching Tencent shares closely for a more attractive entry point. We'd note that despite maintaining a benchmark-neutral weighting to technology YTD, we've still outperformed the index—partly owing to strength among our health care holdings, a less-represented corner of the market.

Other QTD relative detractors included Peruvian engineering and construction company Graña y Montero. Graña has been subject to an ongoing investigation into multiple local companies' ties with a Brazilian builder that admitted to bribing Peruvian officials. We are mindful of the news flow, though we remain attracted to Graña's market leadership and see the company as a key beneficiary of the Peruvian growth opportunity.

On the up side, our Chinese holdings Sino Biopharmaceutical and Noah were strong relative QTD contributors. Sino Biopharma is a major player in the pharmaceuticals industry in China, with leading positions in treatments for hepatitis B and other liver diseases. Having recently met with company management, we remain impressed by Sino Biopharma's expansive pipeline, as well as its vast sales network, which has helped solidify the company's dominance in a market with generally fragmented distribution channels.

Noah is a leading wealth management services provider focusing on the high net worth population in China. We are attracted to Noah's ability to leverage its leading market position, strong brand name and high-quality personal service to fuel sustainable growth. We also believe recently stepped-up Chinese government regulations on asset managers without proper licenses will help reduce competition from Noah's non-licensed peers.

As always, we remain committed to our bottom-up process, canvassing the globe for companies with unique access to growth and sustainable competitive advantages reflective of the full emerging markets opportunity set.

Portfolio Details

Net Asset Value (NAV)	\$16.04	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net ¹
Annual Report 30 Sep 2017	2.19%	1.50%
Prospectus 30 Sep 2016 ³	2.36% ²	1.50%

¹Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2019. ²Revised 1 Jul 2017 to reflect a reduction in management fees. ³See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Samsung Electronics Co Ltd (Korea)	7.3
Alibaba Group Holding Ltd (China)	5.5
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.1
Naspers Ltd (South Africa)	3.0
Sberbank of Russia PJSC (Russia)	2.2
Reliance Industries Ltd (India)	2.1
Sino Biopharmaceutical Ltd (China)	2.1
Grupo Supervielle SA (Argentina)	2.0
Baidu Inc (China)	1.9
Zhuzhou CRRC Times Electric Co Ltd (China)	1.9
TOTAL	33.1%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EMI ¹
Consumer Discretionary	12.9	10.5
Consumer Staples	2.5	6.3
Energy	7.4	6.7
Financials	22.6	23.2
Health Care	7.6	2.4
Industrials	8.7	5.3
Information Technology	28.5	28.3
Materials	6.3	7.2
Real Estate	1.0	2.7
Telecommunication Services	1.8	4.9
Utilities	0.9	2.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 3.5% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 30 November 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	-0.29	3.49	33.69	33.58	8.89	5.72	—	-0.05		
Linked Institutional and Investor Class ²							0.43		5.37	
MSCI Emerging Markets Index	0.20	3.71	32.53	32.82	6.15	4.61	1.36	1.63	6.68	
As of 30 September 2017										
Investor Class: ARTZX	0.97	8.42	29.19	23.47	8.16	4.81	—	-0.42		
Linked Institutional and Investor Class ²							0.23		5.13	
MSCI Emerging Markets Index	-0.40	7.89	27.78	22.46	4.90	3.99	1.32	1.26	6.44	

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	58.9	73.5
China	19.7	30.1
Korea	15.4	15.6
Taiwan	11.2	11.4
India	7.3	8.6
Indonesia	3.9	2.2
Thailand	0.7	2.2
Malaysia	0.7	2.2
EUROPE, MIDDLE EAST AND AFRICA	20.1	14.6
Russia	7.9	3.4
South Africa	5.5	6.9
Turkey	1.8	1.0
Kenya	1.2	—
Czech Republic	1.0	0.2
United Arab Emirates	1.0	0.7
Poland	0.9	1.3
Greece	0.9	0.3
LATIN AMERICA	16.1	11.9
Brazil	8.3	6.9
Argentina	3.5	—
Chile	1.9	1.1
Peru	1.4	0.4
Mexico	1.1	3.1
DEVELOPED MARKETS	4.9	—
United Kingdom	2.2	—
Hong Kong	1.3	—
Switzerland	0.7	—
Germany	0.4	—
United States	0.2	—
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. 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 Nov 2017: Grana y Montero SAA 0.4%; Noah Holdings Ltd 1.7%. 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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