



Artisan Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 October 2017

Commentary

Emerging markets equities churned out a solid month in October, widening their year-to-date lead over developed markets. Our portfolio outpaced the MSCI Emerging Markets Index. Among our top relative contributors was Noah, a leading Chinese wealth management service provider. Noah recently announced plans to repurchase a partner's stake in its asset management subsidiary specializing in alternative investments. The move should provide Noah with a greater share of the economics and more control over this growing business—a positive in our view given an increasing appetite for private equity investments among Chinese high net worth investors.

Indian company Reliance Industries was also a top relative contributor. Reliance is emerging from a period of heavy investment in expansion-related projects within its core petrochemical and refining business, as well as in its relatively new telecom segment, Reliance Jio. These investments are beginning to bear fruit—for example, Reliance Jio has been gaining subscribers and raising prices. We believe Reliance has best-in-class assets in refining, and, with expansion capex largely behind it, we see the company better positioned to improve its balance sheet and increase ROE.

On the down side, Russian convenience store and hypermarket operator Magnit was a bottom relative contributor. Magnit has yet to see a pickup in same-store-sales growth from depressed levels outside of the major city centers where the company has the majority of its footprint. Ultimately, we think these areas—some of the hardest hit by recession—will be the strongest beneficiaries of economic recovery. We remain attracted to the company's market-share strength in a virtual duopoly, and we have taken advantage of recent share-price weakness to add to our position.

Mexico-based CEMEX, one of the world's largest cement producers, was also a relative detractor as it experienced declining volumes in the aftermath of recent natural disasters in Mexico and the US. We believe volumes should rebound as rebuilding commences in the affected areas. Importantly, despite volume declines, the company was able to expand margins in Mexico and has also made progress deleveraging its balance sheet—both signaling management's stronger emphasis on profitability.

During the month, we opened a new position in Georgia's leading private health care services company, Georgia Healthcare—an integrated provider with market shares of 20% to 35% across hospitals, pharmaceutical outlets and medical insurance underwriting. After a period of heavy investment, we see the company strongly positioned to meet increasing health care demand in this underpenetrated and rapidly growing market.

Following a successful investment campaign in Africa-focused goldminer Randgold Resources, we chose to sell our position. We reinvested proceeds in Russian goldminer Polyus, taking advantage of an attractive valuation that we believe underestimates the company's experienced management team and strong production expansion potential.

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)	\$16.17	
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 ⁴	2.36% ³	1.50%

¹Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2019. ²Unaudited, annualized for the six month period. ³Revised 1 July 2017 to reflect a reduction in management fees. ⁴See prospectus for more information.

Top 10 Holdings (% of total portfolio)

Samsung Electronics Co Ltd (Korea)	7.6
Alibaba Group Holding Ltd (China)	5.9
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.5
Naspers Ltd (South Africa)	2.7
Reliance Industries Ltd (India)	2.1
Grupo Supervielle SA (Argentina)	2.0
Baidu Inc (China)	2.0
Zhuzhou CRRC Times Electric Co Ltd (China)	2.0
Sberbank of Russia PJSC (Russia)	1.9
Hon Hai Precision Industry Co Ltd (Taiwan)	1.9
TOTAL	33.7%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EM ¹
Consumer Discretionary	12.8	10.2
Consumer Staples	2.4	6.3
Energy	7.7	6.9
Financials	22.0	23.0
Health Care	7.4	2.3
Industrials	8.6	5.4
Information Technology	29.7	28.5
Materials	6.2	7.1
Real Estate	0.0	2.8
Telecommunication Services	1.9	4.9
Utilities	1.2	2.5
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 2.8% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 31 October 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	3.79	3.79	34.08	27.85	9.07	5.80	—	-0.02	
Linked Institutional and Investor Class ²							-0.34		5.44
MSCI Emerging Markets Index	3.51	3.51	32.26	26.45	5.70	4.83	0.60	1.62	6.72
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	59.3	73.7
China	20.1	29.7
Korea	15.6	15.7
Taiwan	11.1	11.8
India	7.0	8.7
Indonesia	4.1	2.2
Thailand	0.7	2.2
Malaysia	0.7	2.2
EUROPE, MIDDLE EAST AND AFRICA	18.6	14.1
Russia	7.8	3.2
South Africa	4.9	6.3
Turkey	2.0	1.1
Kenya	1.1	—
Poland	1.0	1.3
Greece	0.9	0.3
Czech Republic	0.9	0.2
LATIN AMERICA	17.0	12.2
Brazil	8.4	7.1
Argentina	3.7	—
Chile	2.2	1.3
Peru	1.6	0.4
Mexico	1.2	3.1
DEVELOPED MARKETS	5.1	—
United Kingdom	2.4	—
Hong Kong	1.2	—
Switzerland	0.7	—
Germany	0.5	—
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 31 Oct 2017: Cemex SAB de CV 1.2%; Georgia Healthcare Group PLC 1.0%; Magnit PJSC 0.8%; Noah Holdings Ltd 1.6%; Polyus PJSC 1.3%. 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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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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