



Artisan Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 September 2017

Commentary

Emerging markets equities extended their YTD rally in Q3, led by outsized contributions from stocks in China and Brazil. Despite several geopolitical headwinds, market strength has come on the heels of generally improving company profitability as well as macro tailwinds including dollar weakness, strengthening oil prices and slowing inflation across much of the emerging world.

Our portfolio outpaced the MSCI Emerging Markets Index in Q3, benefiting from strength among our holdings in Taiwan, Russia, Korea, Argentina and South Africa. Notably, our Asian holdings collectively kept pace with the index, and our portfolio outperformed in Q3 despite our underweight to areas of the market with significantly outsized returns—including Chinese real estate and auto companies, where we've found valuations to be out-of-step with our assessment of sustainable earnings growth potential. Our bottom-up process has led us to numerous other opportunities that we see as more attractive and better reflective of the breadth of the emerging markets opportunity set.

Among our top relative contributors QTD were Grupo Supervielle and Sunny Friend Environmental, both non-benchmark holdings. Grupo Supervielle is a private-sector financial institution in Argentina—a country with a highly fragmented banking industry and among the lowest banking penetration rates in Latin America. Within this market, Grupo Supervielle has developed a niche expertise serving lower middle class customers as well as small- and medium-sized enterprises, two of the highest growing customer segments. The company has been demonstrating impressive loan growth, and we see additional upside opportunity through cost cutting and scale efficiencies.

Sunny Friend is one of the largest providers of medical and hazardous industrial waste treatment in Taiwan and Beijing. The company is benefiting from increased capacity afforded by new industrial hazardous waste projects. Over the long term, we see Sunny Friend as a prime beneficiary of increasing enforcement of proper waste treatment as governments emphasize environmental protection efforts.

Among our QTD relative detractors were Digital China and Global Ports—also non-benchmark holdings. Shares of Digital China have been weak as the company experiences some delayed profitability from newer business ventures in big data analytics such as “smart cities.” We have maintained our conviction and believe the company is capable of achieving improved profitability as it works to downsize its lower margin systems integration business and redefines itself as a focused services and software provider.

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 become the global leader that will consolidate a fragmented industry.

We look forward to sharing additional thoughts on our portfolio and market observations in our forthcoming quarterly letter.

Investment Results (%)

As of 30 September 2017	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception ³
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.

Portfolio Details

Net Asset Value (NAV)	\$15.58	
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)	7.1
Alibaba Group Holding Ltd (China)	5.7
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.1
Naspers Ltd (South Africa)	2.5
Baidu Inc (China)	2.1
Sberbank of Russia PJSC (Russia)	2.0
Zhuzhou CRRR Times Electric Co Ltd (China)	2.0
Grupo Supervielle SA (Argentina)	1.9
Hon Hai Precision Industry Co Ltd (Taiwan)	1.8
Reliance Industries Ltd (India)	1.8
TOTAL	32.2%

Source: Artisan Partners/FactSet (MSCI).

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EMI ¹
Consumer Discretionary	14.4	10.3
Consumer Staples	2.5	6.5
Energy	7.3	6.8
Financials	21.8	23.4
Health Care	7.6	2.3
Industrials	9.1	5.4
Information Technology	28.2	27.6
Materials	7.0	7.2
Real Estate	0.0	2.9
Telecommunication Services	0.7	5.1
Utilities	1.5	2.6
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash represented 2.7% of the total portfolio. ¹MSCI Emerging Markets Index.

Average Annual Total Returns

As of 30 September 2017	MTD ¹	QTD ¹	YTD ¹	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception ³
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	56.1	72.4
China	19.5	29.5
Korea	14.5	15.0
Taiwan	10.5	11.5
India	6.6	8.4
Indonesia	3.5	2.3
Malaysia	0.8	2.3
Thailand	0.7	2.2
EUROPE, MIDDLE EAST AND AFRICA	18.2	14.5
Russia	7.5	3.4
South Africa	4.9	6.4
Turkey	1.8	1.1
Kenya	1.1	—
Greece	1.0	0.3
Czech Republic	1.0	0.2
Poland	1.0	1.3
LATIN AMERICA	18.1	13.1
Brazil	8.7	7.6
Argentina	3.5	—
Mexico	2.2	3.5
Chile	1.9	1.3
Peru	1.7	0.4
DEVELOPED MARKETS	7.5	—
United Kingdom	5.0	—
Hong Kong	1.2	—
Switzerland	0.8	—
Germany	0.5	—
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 Sep 2017: Digital China Holdings Ltd 0.6%; Global Parts Holding PLC 1.7%; Sunny Friend Environmental Technology Co Ltd 1.5%. 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.

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

This material is provided for informational purposes without regard to your particular investment needs. This material shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

The Global Industry Classification Standard (GICS[®]) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

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.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

© 2017 Artisan Partners. All rights reserved.

10/5/2017 A17672L_vR

