



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 July 2019

Commentary

Our portfolio modestly underperformed the MSCI EM Index QTD. Global markets have been mixed to start Q3 as soft economic data have been countered by interest cuts from multiple EM and developed market (DM) central banks. While US stocks have been positive, EM and other DM markets have declined QTD. Taiwan and Brazil have been the benchmark's top contributors, and Korea and India have been the leading detractors.

Sino Biopharm and Grupo SBF have been among our top relative contributors QTD. Shares of Sino Biopharm, a pharmaceutical company with leading positions for hepatitis B virus and other liver diseases, have been aided by growth in the company's new, high-margin oncology drugs. In July, its Anlotinib drug—already used to treat advanced non-small-cell lung carcinoma—was approved in China for the treatment of soft tissue sarcoma. Investors seem to recognize the company's strong pipeline of drugs, and we believe its sustainable earnings growth profile will remain attractive over the long term.

Grupo SBF is a Brazilian retailer that controls Centauro, the largest sportswear company in the country. The stock has been among the strongest performers in Brazil, which has been among the better performing EM countries QTD. The company has been executing well on its plan to reduce debt, remodel old stores and open new stores in a modern format, as well as to develop interactive customer experiences for its stores. We believe Centauro's scale, nationwide presence and strong brand image are competitive advantages in a fragmented market. Those competitive advantages have attracted global suppliers, such as Nike and Adidas, as they assure suppliers Centauro will properly promote brand images and avoid discounting through well-maintained stores offering superior customer experiences.

Among our leading relative detractors QTD have been Noah Holdings and Kajaria Ceramics. Noah Holdings, a leading wealth manager in China, disclosed its exposure to CNY 3.4 billion of credit products related to Camsing International, whose CEO was arrested by Chinese authorities. While the event has raised market concerns regarding Noah's risk management practices, we are closely monitoring the situation and remain confident in Noah's management. We still believe Noah can expand its market share given its strong brand name and market-leading position, as well as its ability to deliver top-notch customer service to high net worth individuals.

Kajaria Ceramics, India's largest tile manufacturer, reported mixed quarterly earnings. In addition, shares have been pressured by weaker consumer demand and lower lending due to a liquidity crisis among non-banking financial companies. We still expect a long-term trend of home improvement projects among India's growing middle class will drive positive results for the company.

Volatility is to be expected in emerging markets—it's a natural part of what we believe is a superior growth opportunity over longer periods. As such, we will maintain our disciplined process and closely monitor positions—including on-the-ground visits—to adjust valuations and position size as we believe appropriate.

Portfolio Details

Net Asset Value (NAV)	\$15.47	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net ¹
Semi-Annual Report 31 Mar 2019 ^{2,3}	1.87%	1.35%
Prospectus 30 Sep 2018 ³	1.78%	1.35%

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2020. ²Unaudited, annualized for the six-month period. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Alibaba Group Holding Ltd (China)	6.0
Samsung Electronics Co Ltd (Korea)	6.0
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.0
Sino Biopharmaceutical Ltd (China)	3.1
Naspers Ltd (South Africa)	3.0
Reliance Industries Ltd (India)	2.7
ICICI Bank Ltd (India)	2.4
Polyus PJSC (Russia)	2.1
LUKOIL PJSC (Russia)	2.0
Sunny Friend Environmental Technology Co Ltd (Taiwan)	2.0
TOTAL	34.3%

Source: Artisan Partners. Portfolio country classifications are defined by the investment team.

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EM ¹
Communication Services	5.2	11.9
Consumer Discretionary	21.2	13.6
Consumer Staples	2.4	6.7
Energy	7.6	7.8
Financials	19.8	24.8
Health Care	8.4	2.6
Industrials	9.5	5.3
Information Technology	15.6	14.3
Materials	6.5	7.2
Real Estate	1.7	3.0
Utilities	2.1	2.8
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 2.1% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 31 July 2019	Average Annual Total Returns								Linked Inception ²
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	
Investor Class: ARTZX	-1.59	-1.59	10.19	-2.25	9.30	3.86	3.56	-0.28	
Linked Institutional and Investor Class ¹									4.46
MSCI Emerging Markets Index	-1.22	-1.22	9.23	-2.18	8.42	1.84	4.56	1.08	5.54
As of 30 June 2019									Linked Inception ²
Investor Class: ARTZX	6.07	1.03	11.97	2.34	11.34	4.37	4.86	-0.14	
Linked Institutional and Investor Class ¹									4.62
MSCI Emerging Markets Index	6.24	0.61	10.58	1.21	10.66	2.49	5.81	1.20	5.67

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. ¹Linked performance data shown relates to the Investor Shares from 2 June 2008 forward and for Institutional Shares prior to 2 June 2008. ²Institutional 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	60.1	71.8
China	21.8	31.8
Korea	11.6	11.8
Taiwan	10.6	11.2
India	10.0	8.6
Indonesia	5.0	2.2
Thailand	0.8	3.0
Malaysia	0.4	2.1
EUROPE, MIDDLE EAST AND AFRICA	20.7	15.6
Russia	9.5	4.0
South Africa	5.3	5.8
Greece	2.3	0.3
Turkey	1.9	0.6
Czech Republic	1.0	0.2
Georgia	0.7	—
LATIN AMERICA	17.3	12.6
Brazil	9.8	8.0
Argentina	2.3	0.4
Chile	1.4	0.9
Panama	1.3	—
Peru	1.1	0.4
Colombia	0.8	0.4
Mexico	0.7	2.5
DEVELOPED MARKETS	1.9	—
Hong Kong	1.9	—
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. Portfolio country classifications are defined by the investment team and may differ substantially from MSCI classifications; index country classifications reflect MSCI methodology. For the portfolio's country breakdown according to MSCI methodology, refer to the Fund's most recent portfolio holdings at www.sec.gov.

Team Leadership



Portfolio Manager	Years of Investment Experience
Maria Negrete-Gruson, CFA	28

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 Jul 2019: Grupo SBF SA 1.2%; Kajaria Ceramics Ltd 1.3%; Noah Holdings Ltd 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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