

Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 June 2019

Commentary

Our portfolio outperformed the MSCI EM Index in Q2 as global equity markets rallied in June as developed world monetary chiefs generally indicated a willingness to maintain loose policy. While developed and emerging markets benchmarks posted positive performance, EM performances at the country level were mixed. Russia and Brazil were the benchmark's top Q2 contributors. China was the leading detractor within the index, weighed down by the trade tensions with the US and weak economic data.

Sberbank and Arco Platform were among our top relative contributors in Q2. Sberbank, Russia's largest bank and one of the largest positions in our portfolio, participated in Russia's Q2 equity market rally. A growing belief among investors that the US is unlikely to impose additional sanctions on Russia, stronger oil prices, slower inflation and a June interest rate cut by Russia's central bank were equity market tailwinds. In addition, lower interest rates and improving home affordability are positive trends for mortgage loan growth. We remain attracted to the company's dominant distribution network and strong capital base.

Arco Platform is a Brazilian software developer of educational content for K-12 private schools. In May, Arco announced plans to acquire a Brazilian educational content provider, which will expand its customer base and complement its current product offerings. We believe the acquisition will be a strong strategic fit that will enhance Arco's competitive advantage within the industry.

Among our bottom relative Q2 contributors were Medy-Tox and Noah Holdings. Medy-Tox is a Korea-based biopharmaceutical company that manufactures botulinum toxins (similar to Allergan's Botox) and HA fillers, both of which are used in facial noninvasive rejuvenation treatment. Korean botulinum manufacturers have been negatively impacted by allegations against both Medy-Tox and its peers. We acknowledge the risks in this developing industry, but we remain attracted to Medy-Tox's China penetration potential and sustainable earnings in other emerging countries.

Noah Holdings, a leading wealth manager in China, has been executing at a high level through its strong brand name and market-leading position, as well as its ability to deliver top-notch customer service to high net worth individuals. However, investors were disappointed that management did not raise 2019 full-year guidance following strong Q1 performance. Given ongoing US-China trade tension, we believe management's decision was prudent and remain attracted to the company's ability to generate sustainable growth.

We will provide further color on these and other holdings in our forthcoming quarterly commentary.

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)	\$15.72	
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%

¹Reflects 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)

Samsung Electronics Co Ltd (Korea)	6.2
Alibaba Group Holding Ltd (China)	5.7
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.1
Sino Biopharmaceutical Ltd (China)	2.9
Naspers Ltd (South Africa)	2.9
Reliance Industries Ltd (India)	2.8
Sberbank of Russia PJSC (Russia)	2.4
ICICI Bank Ltd (India)	2.4
Sunny Friend Environmental Technology Co Ltd (Taiwan)	2.0
LUKOIL PJSC (Russia)	2.0
TOTAL	34.4%

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	11.7
Consumer Discretionary	20.6	13.4
Consumer Staples	1.8	6.6
Energy	7.8	7.9
Financials	21.4	25.1
Health Care	8.3	2.6
Industrials	9.3	5.4
Information Technology	15.8	13.9
Materials	6.6	7.6
Real Estate	1.2	3.0
Utilities	2.0	2.7
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 2.6% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 30 June 2019	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	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.

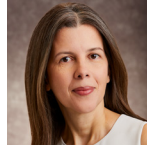
Performance of the Institutional Shares does not reflect higher expenses associated with the Investor Shares, and if reflected, would reduce the performance quoted. Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate 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	61.0	72.1
China	21.8	31.6
Korea	11.7	12.4
Taiwan	10.5	10.8
India	10.5	9.0
Indonesia	4.7	2.1
Thailand	0.8	3.0
Malaysia	0.6	2.1
Vietnam	0.4	—
EUROPE, MIDDLE EAST AND AFRICA	20.0	15.6
Russia	8.9	4.0
South Africa	5.4	5.9
Greece	2.2	0.3
Turkey	1.9	0.5
Czech Republic	0.9	0.2
Georgia	0.7	—
LATIN AMERICA	17.0	12.3
Brazil	9.6	7.6
Argentina	2.1	0.4
Chile	1.5	0.9
Panama	1.2	—
Peru	1.1	0.4
Colombia	0.8	0.4
Mexico	0.8	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	27

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 Jun 2019: Arco Platform Ltd 0.9%; Medy-Tox Inc 1.1%; Noah Holdings Ltd 1.6%. 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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Sector exposure percentages reflect sector designations as currently classified by GICS.

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