



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 March 2019

Commentary

Our portfolio outperformed the MSCI EM Index in Q1 as easing trade tensions and strong corporate earnings lifted global markets. Though US stocks led the Q1 rally, developed and emerging markets posted solid performance across the board, and almost every country in the EM benchmark finished the quarter in positive territory. China was the benchmark's top Q1 contributor as investor hopes of a US-China trade deal improved. Qatar and Turkey, on the other hand, were the only countries that contributed negatively to the index.

Two Chinese holdings—Sino Biopharmaceutical and Alibaba—were among our top relative contributors in Q1 as many Chinese names benefited from improving sentiment. In addition, Sino Biopharm secured important new product registration approvals in Q1, all while continuing to invest heavily in R&D. The company boasts a strong pipeline of growth drivers, which investors seem to have recognized. We believe Sino Biopharm's sustainable earnings growth profile remains attractive over the long term and therefore added to our position during the quarter.

Alibaba, China's largest e-commerce platform, is executing at a high level. The company should benefit from recent Chinese tax cuts that are expected to drive online sales. Alibaba also has launched several other successful business arms—from financial services to logistics, cloud computing, entertainment and beyond—which we expect will deliver sustainable growth for the company.

Among our bottom relative Q1 contributors were Emaar Development and Godrej Consumer Products. Shares of UAE-based developer Emaar Development fell amid headwinds in the Dubai real estate market, where property prices fell. We exited our position in favor of more attractive opportunities.

Shares of Indian consumer goods company Godrej were pressured due to sluggish sales. Its household insecticides division underperformed partly due to low rainfall levels in India, which in turn decreased demand for insect repellants. We are confident in Godrej's plans to overcome recent setbacks via innovative promotions and product launches and maintain our conviction in the company's leading market position and strong product pipeline.

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. Ultimately, we aim to direct capital to companies with sustainable earnings power that are making the right strategic choices for their shareholders, employees, customers and communities.

Portfolio Details

| | | |
|--|-------------|------------------|
| Net Asset Value (NAV) | \$15.56 | |
| ARTZX Inception | 2 June 2008 | |
| Expense Ratios | Gross | Net ¹ |
| Annual Report 30 Sep 2018 ^{2,3} | 1.78% | 1.41% |
| Prospectus 30 Sep 2018 ³ | 1.78% | 1.35% |

¹Reflects a contractual expense limitation agreement in effect through 31 Jan 2020. ²Reflects a change in the Fund's management fee and expense limit, 1.50% lowered to 1.35%, effective 21 Feb 2018. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

| | |
|--|--------------|
| Alibaba Group Holding Ltd (China) | 6.1 |
| Samsung Electronics Co Ltd (Korea) | 6.0 |
| Taiwan Semiconductor Manufacturing Co Ltd (Taiwan) | 5.2 |
| Reliance Industries Ltd (India) | 2.9 |
| Naspers Ltd (South Africa) | 2.7 |
| Sino Biopharmaceutical Ltd (China) | 2.6 |
| ICICI Bank Ltd (India) | 2.2 |
| LUKOIL PJSC (Russia) | 2.1 |
| Sberbank of Russia PJSC (Russia) | 2.1 |
| Zhuzhou CRRC Times Electric Co Ltd (China) | 1.9 |
| TOTAL | 33.7% |

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

Sector Diversification (% of total portfolio equities)

| | Fund | MSCI EM ¹ |
|------------------------|---------------|----------------------|
| Communication Services | 6.1 | 12.3 |
| Consumer Discretionary | 19.6 | 13.4 |
| Consumer Staples | 2.2 | 6.4 |
| Energy | 8.3 | 8.1 |
| Financials | 20.8 | 24.2 |
| Health Care | 8.4 | 2.6 |
| Industrials | 9.9 | 5.4 |
| Information Technology | 15.7 | 14.6 |
| Materials | 6.1 | 7.4 |
| Real Estate | 1.0 | 3.2 |
| Utilities | 1.9 | 2.6 |
| TOTAL | 100.0% | 100.0% |

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

Investment Results (%)

| As of 31 March 2019 | Average Annual Total Returns | | | | | | | | |
|--|------------------------------|-------|-------|-------|-------|------|-------|-----------|-------------------------------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception | Linked Inception ² |
| Investor Class: ARTZX | 0.58 | 10.83 | 10.83 | -8.66 | 12.39 | 5.29 | 8.20 | -0.24 | |
| Linked Institutional and Investor Class¹ | | | | | | | | | 4.63 |
| MSCI Emerging Markets Index | 0.84 | 9.92 | 9.92 | -7.41 | 10.68 | 3.68 | 8.94 | 1.17 | 5.74 |

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 | 62.0 | 74.4 |
| China | 23.2 | 33.0 |
| Korea | 11.7 | 13.0 |
| India | 10.4 | 9.2 |
| Taiwan | 10.4 | 11.3 |
| Indonesia | 4.4 | 2.2 |
| Thailand | 0.8 | 2.3 |
| Malaysia | 0.6 | 2.2 |
| Vietnam | 0.5 | — |
| EUROPE, MIDDLE EAST AND AFRICA | 19.3 | 13.8 |
| Russia | 8.3 | 3.8 |
| South Africa | 4.9 | 5.9 |
| Turkey | 2.0 | 0.5 |
| Greece | 1.9 | 0.2 |
| Czech Republic | 0.9 | 0.2 |
| Poland | 0.7 | 1.1 |
| Georgia | 0.6 | — |
| LATIN AMERICA | 17.0 | 11.8 |
| Brazil | 8.4 | 7.2 |
| Argentina | 2.9 | — |
| Peru | 1.6 | 0.4 |
| Chile | 1.6 | 1.0 |
| Panama | 1.0 | — |
| Mexico | 0.8 | 2.7 |
| Colombia | 0.7 | 0.5 |
| DEVELOPED MARKETS | 1.7 | — |
| Hong Kong | 1.7 | — |
| 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 31 Mar 2019: Godrej Consumer Products Ltd 0.7%. 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.

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.

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Sector exposure percentages reflect sector designations as currently classified by GICS.

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