



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 November 2019

Commentary

Our portfolio trailed the MSCI EM Index in November and is slightly behind QTD. Global markets continued to move higher in November, with the notable exception of emerging markets. Mixed economic data in China, an economic slowdown in India and negative political events in Hong Kong and Latin America have hurt emerging markets' performance. So far this quarter, EM stocks have not kept pace with their developed markets counterparts. China and Taiwan have been the benchmark's top contributors, while Chile and Saudi Arabia have been the leading detractors.

Among our leading relative detractors QTD are Zhuzhou CRCC Times Electric and Falabella. Zhuzhou provides and integrates train-borne electrical systems for China's railway industry. In October, the company reported weaker-than-expected quarterly results, due in part to a slowdown in investment spending this year. However, conditions will likely turn more favorable in 2020. Additional high-speed railway lines will likely lead China Railway to initiate a procurement process for more trains before the end of 2019.

Falabella operates department stores, supermarkets and home improvement stores across Chile, Peru, Colombia, Brazil, Argentina and Mexico. The company also has an e-commerce platform, offers financial services, owns shopping malls and engages in real estate development. Shares of Falabella fell amid social unrest in Chile that has impaired economic activity. President Sebastián Piñera's proposal to rewrite Chile's constitution adds further uncertainty to an already tenuous economic situation. After adjusting our target valuation for additional macroeconomic and political risk, we exited our position based on limited upside potential.

Among our top relative contributors QTD are ICICI Bank and MediaTek. ICICI Bank is our lone financials sector position in India. The company's operational performance has been strong, despite India's economic weakness driven by the ripple effects of a liquidity crisis originating in the non-bank financial system. ICICI has already taken the appropriate steps to maintain a strong balance sheet and capital position while having sustainable competitive advantages in the form of a solid local brand, well-scaled franchise and extensive domestic branch network.

Taiwan-based MediaTek is the largest fabless semiconductor design house outside the US. The schedule for its 5G chipset rollout is following US competitor Qualcomm more closely than it had during the 4G cycle. MediaTek's 5G chipset has received strong demand from Chinese handset makers, and initial pricing has been stronger than anticipated. As a result, both MediaTek's revenue and earnings are showing strong upward trends.

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) | \$15.49 | |
| ARTZX Inception | 2 June 2008 | |
| Expense Ratios | Gross | Net ¹ |
| Annual Report 30 Sep 2019 ² | 1.93% | 1.35% |
| Prospectus 30 Sep 2018 ² | 1.78% | 1.35% |

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2021. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

| | |
|---|--------------|
| Alibaba Group Holding Ltd (China) | 7.7 |
| Samsung Electronics Co Ltd (Korea) | 6.7 |
| Taiwan Semiconductor Manufacturing Co Ltd (Taiwan) | 6.1 |
| Reliance Industries Ltd (India) | 3.1 |
| ICICI Bank Ltd (India) | 2.6 |
| LUKOIL PJSC (Russia) | 2.3 |
| Sino Biopharmaceutical Ltd (China) | 2.1 |
| MediaTek Inc (Taiwan) | 1.9 |
| Sberbank of Russia PJSC (Russia) | 1.9 |
| Sunny Friend Environmental Technology Co Ltd (Taiwan) | 1.9 |
| TOTAL | 36.2% |

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

Sector Diversification (% of total portfolio equities)

| | Fund | MSCI EM ¹ |
|------------------------|---------------|----------------------|
| Communication Services | 4.3 | 11.0 |
| Consumer Discretionary | 22.4 | 14.3 |
| Consumer Staples | 2.9 | 6.6 |
| Energy | 8.3 | 7.4 |
| Financials | 19.5 | 24.4 |
| Health Care | 7.7 | 2.8 |
| Industrials | 8.6 | 5.4 |
| Information Technology | 18.0 | 15.3 |
| Materials | 5.3 | 7.3 |
| Real Estate | 2.0 | 2.9 |
| Utilities | 1.0 | 2.7 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 3.1% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

| As of 30 November 2019 | Average Annual Total Returns | | | | | | | | Linked Inception ² |
|--|------------------------------|------|-------|------|------|------|-------|-----------|-------------------------------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception | |
| Investor Class: ARTZX | -0.81 | 3.56 | 12.26 | 7.88 | 9.85 | 5.08 | 2.42 | -0.11 | |
| Linked Institutional and Investor Class ¹ | | | | | | | | | 4.49 |
| MSCI Emerging Markets Index | -0.14 | 4.07 | 10.20 | 7.28 | 9.01 | 3.13 | 3.33 | 1.12 | 5.46 |

| As of 30 September 2019 | Average Annual Total Returns | | | | | | | | Linked Inception ² |
|--|------------------------------|-------|------|-------|------|------|-------|-----------|-------------------------------|
| | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception | |
| Investor Class: ARTZX | 1.53 | -3.18 | 8.40 | 1.91 | 6.98 | 4.64 | 2.30 | -0.42 | |
| Linked Institutional and Investor Class ¹ | | | | | | | | | 4.28 |
| MSCI Emerging Markets Index | 1.91 | -4.25 | 5.89 | -2.02 | 5.97 | 2.33 | 3.37 | 0.78 | 5.22 |

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 | 63.3 | 74.0 |
| China | 22.8 | 34.0 |
| Korea | 12.2 | 11.6 |
| Taiwan | 11.6 | 11.7 |
| India | 11.6 | 9.1 |
| Indonesia | 4.2 | 1.9 |
| Thailand | 0.8 | 2.7 |
| EUROPE, MIDDLE EAST AND AFRICA | 17.7 | 14.9 |
| Russia | 9.5 | 3.9 |
| South Africa | 3.8 | 4.6 |
| Greece | 2.1 | 0.3 |
| Turkey | 1.8 | 0.5 |
| Georgia | 0.6 | — |
| LATIN AMERICA | 16.3 | 11.1 |
| Brazil | 9.0 | 7.1 |
| Argentina | 2.2 | 0.2 |
| Peru | 1.4 | 0.4 |
| Panama | 1.3 | — |
| Colombia | 1.1 | 0.4 |
| Mexico | 0.7 | 2.3 |
| Chile | 0.6 | 0.7 |
| DEVELOPED MARKETS | 2.7 | — |
| Hong Kong | 1.8 | — |
| Netherlands | 0.9 | — |
| 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 30 Nov 2019: Zhuzhou CRRC Times Electric Co Ltd 1.1%. 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.

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.

© 2019 Artisan Partners. All rights reserved.

