



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 September 2019

Commentary

Our portfolio fared better than the MSCI EM Index in Q3. A ratcheting up of US-China trade tensions, soft global economic data and political events—such as protests in Hong Kong and the unexpected election result in Argentina—contributed to broad-based EM equity market declines. Taiwan was the benchmark's top contributor, while China was the leading detractor.

Sino Biopharm and Metropolis Healthcare were among our top relative contributors in Q3. 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. In August, it reported results for the first half of 2019, including better-than-expected revenue growth and margin expansion. We believe its sustainable earnings growth profile will remain attractive over the long term.

Metropolis Healthcare is an Indian medical diagnostics company. The marketplace in India is shifting toward organized and branded players such as Metropolis, which has one of the largest diagnostic lab chains in the country. Metropolis is focused on increasing its share in the higher margin business-to-consumer (B2C) market. The B2C segment has been rapidly growing, improving the company's overall profitability, while revenues and earnings are likely to get a further boost through operating leverage as it expands its geographical footprint. In addition, Metropolis should benefit from corporate tax cuts announced by India's government in September.

Among our leading relative detractors in Q3 were Pampa Energía and Noah Holdings. Pampa is the largest independent integrated energy company in Argentina, including electricity, oil and natural gas. In August, President Mauricio Macri was beaten in primary elections by a far greater margin than expected by the Peronist party ticket that includes former president Christina Fernandez. Subsequently announced capital controls also pressured Argentina's financial markets as investors weigh the potential return of populist policies, a further decline in the currency, a deep economic recession and a credit default. Given the heightened likelihood the government reinstates energy subsidies and freezes electricity rates, we exited our position in Pampa.

Noah Holdings is a leading wealth manager in China. In July, Noah disclosed its exposure to CNY 3.4 billion of credit products related to Camsing International, whose CEO was arrested by Chinese authorities over allegations of fraud. While the event raised market concerns regarding Noah's risk management practices, we are closely monitoring the situation and remain confident in Noah's management. Noah has taken several important steps to help recover clients' investments, and management has been cooperating with authorities and communicating regularly with investors.

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)	\$15.22	
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)

Samsung Electronics Co Ltd (Korea)	6.6
Alibaba Group Holding Ltd (China)	6.2
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	5.6
Reliance Industries Ltd (India)	3.1
ICICI Bank Ltd (India)	2.5
Polyus PJSC (Russia)	2.5
MediaTek Inc (Taiwan)	2.2
Sunny Friend Environmental Technology Co Ltd (Taiwan)	2.1
Sino Biopharmaceutical Ltd (China)	2.1
LUKOIL PJSC (Russia)	2.1
TOTAL	34.9%

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

Sector Diversification (% of total portfolio equities)

	Fund	MSCI EM ¹
Communication Services	4.1	11.6
Consumer Discretionary	21.6	13.1
Consumer Staples	2.3	6.9
Energy	8.0	7.7
Financials	19.8	24.7
Health Care	7.4	2.6
Industrials	9.7	5.4
Information Technology	17.1	15.1
Materials	7.0	7.3
Real Estate	1.8	2.9
Utilities	1.1	2.8
TOTAL	100.0%	100.0%

Source: Artisan Partners/FactSet (GICS)/MSCI. Cash and cash equivalents represented 1.9% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 30 September 2019	Average Annual Total Returns								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception ²
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	60.5	72.5
China	20.1	31.9
Korea	12.1	12.2
Taiwan	11.5	11.5
India	11.1	8.9
Indonesia	4.6	2.1
Thailand	0.8	2.9
Malaysia	0.4	2.0
EUROPE, MIDDLE EAST AND AFRICA	19.2	15.5
Russia	9.3	4.0
South Africa	4.2	4.7
Greece	2.1	0.3
Turkey	2.0	0.6
Czech Republic	0.9	0.1
Georgia	0.7	—
LATIN AMERICA	17.6	12.0
Brazil	9.5	7.6
Argentina	2.1	0.2
Chile	1.6	1.0
Panama	1.2	—
Peru	1.2	0.4
Colombia	1.2	0.4
Mexico	0.8	2.5
DEVELOPED MARKETS	2.7	—
Hong Kong	1.8	—
Netherlands	1.0	—
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 Sep 2019: Metropolis Healthcare Ltd 0.8%; Noah Holdings Ltd 1.2%. 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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