Artisan Developing World Fund

QUARTERLY
Commentary

Investor Class: ARTYX | Advisor Class: APDYX

As of 31 March 2016

Investment Process

We seek to capitalize on opportunities in developing world economies by investing in companies that compound business value over a market cycle, while mitigating the volatility of returns.

Fundamental Stock Selection—Business Value Compounding

We focus our analysis on businesses that are economically tied to the developing world irrespective of domicile. We believe that a focus on a company's underlying economic exposure should result in investments that over time position the portfolio to benefit from the true drivers of the opportunity set in developing world economies. We believe those drivers include increasing domestic demand, low penetration of basic goods and low levels of household debt, among other factors.

We emphasize financially sound, self-funding companies in our stock selection process. We generally considers self-funding companies to include those that exhibit low absolute or relative debt levels, limited capital intensity or visibility into free cash flow or capital generation. We believe these businesses are less likely to impair capital during periods of duress and may compound earnings per share and book value per share at above average rates. We believe this approach has the potential to create a compelling risk-adjusted return.

Risk Management—Holistic Volatility Mitigation

We believe investments exposed to the developing world have unique risks that leave them vulnerable to capital flight during periods of market duress, and in turn capital impairment or constrained fundamental development. In an effort to mitigate these risks, we seek to emphasize investments in markets with limited dependence on foreign capital. We believe this macro-economic framework benefits stock selection because capital flight can be inflationary and lead to tighter monetary policy which can impact economic growth and earnings growth.

Team Overview

Portfolio Management

Lewis S. Kaufman, CFA
Portfolio Manager

Investment Results (%)

As of 31 March 2016	QTD[1]	YTD[1]	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[1,2]
Investor Class: ARTYX	**5.24**	**5.24**	—	—	—	—	**-7.60**
Advisor Class: APDYX	**5.23**	**5.23**	—	—	—	—	**-7.50**
MSCI Emerging Markets Index	5.71	5.71	—	—	—	—	-11.44

Source: Artisan Partners/MSCI. [1]Returns for periods less than one year are not annualized. [2]Fund inception: 29 June 2015.

Expense Ratios (% Gross/Net)	ARTYX	APDYX
Annual Report 30 Sep 2015[1]	2.23/1.50[2]	1.96/1.40[2]
Prospectus 30 Sep 2015[3]	1.67/1.50[2]	1.29/—

[1]For the period from commencement of operations 29 Jun 2015 through 30 Sep 2015. [2]Reflects a contractual Fund expense reimbursement agreement in effect through 1 Feb 2017. [3]Includes estimated expenses for the current fiscal year.

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. The portfolio's return may vary greatly over short periods, and current performance may be materially lower or higher than the performance data quoted.

Investing Environment

Artisan Developing World Fund returned 5.24% for the quarter ended March 31, 2016, versus 5.71% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Emerging markets declined sharply through early January. Ongoing concerns regarding dollar strength, oil price weakness, credit market dislocation, and Chinese economic deterioration seemed to be punctuated by possible systemic weakness in the European banking sector. Perversely, this confluence of factors resulted in renewed emphasis from the US Federal Reserve on financial market conditions and their impact on inflation and the labor market. As the path to interest rate increases in the United States became less clear and European financial institutions succeeded in calming markets, asset prices began to recover. The MSCI Emerging Markets Index staged a 22% rally from the January lows. The dollar weakened broadly, with March's emerging markets currency rally of ~6% marking the largest one-month such move since 1998 (based on a basket of 20 developing country currencies tracked by Bloomberg). Oil-facing assets benefited not only from renewed Fed dovishness, but from increasing (though fleeting) signs of supply discipline from market participants. While Chinese assets remained relative laggards, signs of PBOC policy clarity emerged, which seemed to fan the flames of global risk appetites. Brazilian equities paced emerging markets gains, as the rebound in commodity prices was met with increasing speculation around the potential impeachment of President Dilma Rousseff. Indian equities were notable laggards in an EM context, due to a combination of policy disappointment, investor positioning and vulnerability to a rising oil price.

Performance Discussion

Top contributors to performance for the quarter included Peruvian bank Credicorp, Brazilian education provider Kroton, Macanese casino operator Sands China, Brazilian retailer Lojas Renner and Panamanian airline Copa. Credicorp rose following fourth-quarter earnings as GDP and loan growth remained surprisingly resilient, while results seemed to validate the central bank's unconventional approach to fostering local currency lending in the Peruvian financial system. Kroton outperformed despite the Brazilian macroeconomic backdrop as it broadly sustained student enrollments despite constraints on the FIES government financing program, and implemented self-help initiatives to control costs. Sands China benefitted from evidence of gross gaming revenue stabilization, continued commitment to the dividend, and policy support from the Chinese government. Lojas Renner rose following resilient sales results, which have allowed Renner to continue to invest in store expansion and technology even as competitors struggle with delinquent credit card portfolios. Copa performed well as Latin American currencies staged a pronounced recovery during the quarter, which suggests some resumption in purchasing power for the company's customer base.

Key detractors to performance for the quarter included Saudi Arabian travel group Al Tayyar Travel, Indian pay-TV provider Dish TV India, Chinese insurance company China Life, Russian payment company Qiwi and pan-Asian insurance leader AIA Group. While oil prices staged a recovery during the quarter, Al Tayaar shares came under continued pressure due to uncertainty about Saudi Arabia's fiscal trajectory, which could impact government, corporate and student travel in the future. Dish shares suffered as subscriber additions were somewhat muted and the company's average selling price (ASP) trajectory lagged that of peers. China Life Insurance suffered from a declining interest rate environment in China which could pressure future asset spreads, Chinese A-share market volatility which could pressure the company's assets and book value, and the company's decision to increase its investment in a bank. Qiwi suffered from broad cyclicality across its business, which has extended from an initial impact on the financial payments and remittances business to include online payments. AIA suffered from the introduction of limits for purchasing insurance products overseas, which were received by the market as capital controls and could impact Value of New Business (VNB) growth.

Perspective

The outlook for the dollar continues to dominate the emerging markets investment landscape. We noted in our December shareholder letter the possibility that the Fed might reverse course on expected interest rate increases. While this has indeed occurred against the backdrop of near-universal strong dollar positioning, interest rate differentials for the US versus Europe and Japan suggest a finite duration to this period of dollar weakness and emerging markets currency strength. Moreover, only a select handful of emerging markets countries have meaningfully reduced their dependence on foreign capital over the last few years; current account deficits in Turkey and South Africa, for example, remain near record levels. It is also concerning that countries that have reduced their dependence on foreign capital such as Russia and Brazil have done so due to a collapse in domestic demand, as distinct from newfound competitiveness or demand for their exports. This complex dynamic is of paramount importance to our strategy because of our emphasis on domestic demand, and it will take a period of prolonged dollar weakness before purchasing power returns to most emerging markets. Thus, our focus on businesses that can compound business value over a market cycle is more important than ever; we can't control economic cyclicality, but we can identify companies that have the business model durability to continue to invest and compound value through the cycle. On balance, our focus is less on calling a "turn" in the dollar but in identifying the best business value compounders, and we expect share prices will better reflect the underlying value creation once domestic demand returns.

Questions surrounding China's currency policy and economic trajectory also remain unresolved. PBOC renminbi policy remains an important question not only because of what devaluation might say about the health of the Chinese economy, but also because renminbi weakness could lead to a round of competitive devaluation across Asia. While the PBOC has been widely criticized for opaque communication, PBOC policy coordination and communication in fact markedly improved during the March quarter, with Governor Zhou stating in clear terms that the renminbi is being managed against the

value of a basket of currencies and not just the dollar. While this policy clarity was not sufficient to spur the outperformance of Chinese assets during the quarter, it arguably provided some much-needed support to global equity markets. It is also notable that our analysis of the Chinese balance of payments suggests capital flight remains mostly manageable due to the front-loaded nature of Chinese corporate dollar-debt repayments, China's large foreign exchange reserves, and the country's rising current account surplus. Finally, it is worth noting that the basket of currencies against which the renminbi is managed has appreciated against the dollar in recent weeks, which all things equal would place upward pressure on the value of the renminbi against the dollar. Of course, all this discussion about Chinese currency policy does little to address the underlying economic reality in China, which is one of inevitable growth slowdown and an unsustainable fiscal trajectory. However, in a year where adverse economic developments in Brazil have been overwhelmed by impeachment speculation, oil staged a 50% rally from its January lows despite little change in the supply-demand balance, and strong-dollar positioning proved too pervasive, a recovery in Chinese equities could prove a fitting if unlikely part of the narrative.

Finally, it is important to note that in periods of heightened market volatility and high correlation, it is crucially important to have a clearly defined investment process, and we believe we do. This focus has allowed us to make risk-adjusted improvements to the portfolio as opportunities arise, underpinned by a belief that the companies we emphasize are compounding business value even as markets decline, and by the knowledge that our portfolio construct should mitigate the volatility of returns if executed correctly. Said differently, we aspire to put ourselves and our clients in a position to capitalize as opportunities arise, rather than managing periods of volatility in ways that might impair capital during moments of duress.

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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.

This summary represents the views of the portfolio managers as of 31 Mar 2016. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprised the following percentages of the Fund's total net assets as of 31 Mar 2016: Credicorp Ltd 2.3%; Kroton Educacional SA 3.1%; Sands China Ltd 2.5%; Lojas Renner SA 1.5%; Al Tayyar Travel Group Holding Co 0.8%; Dish TV India Ltd 2.7%; China Life Insurance Co Ltd 2.0%; QIWI PLC 1.2%; AIA Group Ltd 4.2%. Securities named in the commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner.

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Book Value is the net asset value of a company, calculated by total assets minus intangible assets and liabilities.

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