Artisan Emerging Markets Fund

QUARTERLY
Commentary

Investor Class: ARTZX

As of 31 March 2016

Investment Process

We seek to invest in companies that are uniquely positioned to benefit from the growth potential in emerging markets and that possess a sustainable global competitive advantage.

Sustainable Earnings

We believe over the long term a stock's price is directly related to the company's ability to deliver sustainable earnings. We determine a company's sustainable earnings based upon financial and strategic analyses. Our financial analysis of a company's balance sheet, income statement and statement of cash flows focuses on identifying historical drivers of return on equity. Our strategic analysis examines a company's competitive advantages and financial strength to assess sustainability.

Risk Analysis

We believe a disciplined risk framework allows greater focus on fundamental stock selection. We incorporate our assessment of company-specific and macroeconomic risks into our valuation analysis to develop a risk-adjusted target price. Our risk-rating assessment includes a review of country-appropriate macroeconomic risk factors to which a company is exposed.

Valuation

We believe that investment opportunities develop when businesses with sustainable earnings are undervalued relative to peers and historical industry, country and regional valuations. We value a business and develop a price target for a company based on our assessment of the business's sustainable earnings and risk analysis.

Team Overview

Team experience, continuity and a rigorous investment process are the characteristics that we believe differentiate our team from other emerging markets investment managers. Research analysts have autonomy and ownership of their regions and accountability for the success of their ideas. Our team members bring deep experience and uncommon insight to their respective areas of responsibility.

Portfolio Management

Maria Negrete-Gruson, 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[2]	Linked Inception[4]
Investor Class: ARTZX	**7.35**	**7.35**	**-6.57**	**-3.73**	**-6.15**	—	**-4.69**	
Linked Institutional and Investor Class[3]						—		**2.35**
MSCI Emerging Markets Index	5.71	5.71	-12.03	-4.50	-4.13	—	-2.26	4.26

Source: Artisan Partners/MSCI. [1]Returns for periods less than one year are not annualized. [2]Investor Class inception: 2 June 2008. [3]Linked performance data shown relates to the Investor Shares from 2 June 2008 forward and for Institutional Shares prior to 2 June 2008 [4]Institutional Class inception: 26 June 2006.

Expense Ratios	Gross	Net[1]
Annual Report 30 Sep 2015	1.79%	1.50%
Prospectus 30 Sep 2015	1.79%	1.50%

[1]Reflects a contractual Fund expense reimbursement agreement in effect through 1 Feb 2017.

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.

Investing Environment

Emerging markets investors had a bumpy ride in the first quarter as stocks bounced around due to a variety of macroeconomic and political events. Selling pressures in January were driven by growth concerns in China, the devaluation of the yuan and falling commodity prices. In February, markets continued to focus on falling oil prices, which hit a low of $26 per barrel mid-month and subsequently rebounded, helping to erase stock losses earlier in the month. Emerging markets stocks closed out the quarter with a double-digit gain in March. Easing monetary policies and the firming of commodity prices improved investor sentiment. Foreign fund flows also turned positive as investors resumed a risk-on stance following dovish interest rate signals from the US Fed.

Emerging markets outpaced their developed market counterparts this quarter in US dollar terms, but were roughly on par with global markets in local terms as emerging markets currencies in general strengthened against the US dollar. For example, the Brazilian real was the best performer in the EM currency landscape, strengthening 9% vis-à-vis the USD, on expectations of a more moderate rate rise cycle in the US and growing signs of a bottoming in commodities prices, not to mention the speed at which impeachment proceedings against President Rousseff moved. The Russian ruble and South African rand were also among those EM currencies that rebounded in the quarter, helping to boost returns for USD-based investors.

Performance Discussion

Our portfolio outpaced the MSCI Emerging Markets Index by a comfortable margin in the first quarter. Stock selection was positive, particularly in Russia, Taiwan and Greece, and our top contributors to return were from a variety of countries including South Africa and Peru. We also benefited from our underweight position in China and the relative outperformance of our holdings in Indonesia.

One of our best performers during the quarter was South African gold miner Randgold Resources. The 16% rise in gold prices in Q1 provided the stock with a tailwind, but the gold miner also reported solid business results during the period, highlighted by increased production and a 10% increase of its annual dividend, reflecting strong cash flows. We continue to view Randgold as a best-in-class operator in the precious metals space. The company has a reputable management team, remarkable capital discipline, high-quality and high-grade producing assets in Africa, relatively low corporate overhead and outstanding cost control, strong government relations, and consistent production growth.

Taiwan Semiconductor Manufacturing (TSMC), the world's largest integrated chip manufacturer, was another strong contributor. The company's revenue growth has been driven by smartphone demand in China and other emerging markets as well as by inventory restocking. We remain steadfast in our view that TSMC can continue to sustain earnings growth over the long term. The company benefits from its leading-edge technology, economies of scale and a diversified customer base. We also are attracted to its strong financial position, which is reflected by robust margins and consistent free cash flow generation. We believe TSMC will continue to gain market share over the long run as demand for mobile devices continues to propel the need for faster and more efficient chips.

Peruvian financial services company Credicorp also landed in our list of top contributors. The company has benefited from strong earnings growth and solid profitability. Results have been driven by healthy loan growth and widening net interest margins on loans. We continue to believe the company is in a strong position to benefit from increased banking penetration in the country and we estimate that return on equity can be sustained in the 18-20% range. We also believe that whoever wins the upcoming Peruvian presidential run-off election—Keiko Fujimori or Pedro Pablo Kuczynski—it will be positive for both Credicorp and overall economic sentiment.

On the downside, our results were hampered by three stocks in particular that experienced company-specific setbacks, namely Wisdom Sports Group, Aurobindo Pharma and Sino Biopharmaceutical.

Wisdom Sports Group is China's leading mass sporting events operator responsible for popular sporting events such as the Guangzhou and Hangzhou Marathons. During the quarter, the Chinese sports marketer announced a meaningful drop in earnings for its 2015 fiscal year, as the company's traditional media business suffered losses in the second half of the year due to the weak macro environment and competition from digital formats; the company decided to discontinue its traditional media business in 2016. That said, Wisdom's sports business experienced 36% growth in 2015 despite shifting 11% revenue booking to 2016, and the events pipeline for 2016 thus far looks impressive to us. We remain attracted to Wisdom's competitive position in the market as there are few meaningful competitors. This position enables the company to procure major sponsorships, which drive revenue growth. We believe the company's focus on expanding its marathon events and potential entry into the soccer arena will help sustain earnings growth over the long term as demand for more sports services continues to grow from a rising middle class.

Aurobindo Pharma is one of India's largest pharmaceutical companies. The generic drug maker's stock corrected in Q1 due to concerns over some initial observations by the US FDA at one of the company's facilities. We believe the selloff was overdone and the company has since received product approvals from the affected site. Despite the setback, our long-term thesis remains intact. Aurobindo has one of the world's largest pipelines of pending generic registrations for the US market, including high-margin injectable medications, which should lead to further earnings growth in coming years. We are also attracted to the company's sustainable growth potential given its significant investments in manufacturing and substantial pipeline assets.

Sino Biopharm is a major player in the pharmaceuticals industry in China, with leading positions in treatments for hepatitis B virus and other liver diseases. The drug company's stock sold off in January after it announced plans to take an equity stake in Cinda, a holding company that owns several hospitals and has interests in a variety of sectors such as life insurance and P&C insurance. Management was particularly interested in Cinda's hospital assets and leveraging its insurance license to start a commercial health insurance business, which China currently does not offer. In early February, Sino Biopharm announced the termination of its intended stake due to uncertain macro conditions and the stock recovered some of its losses. We remain investors and believe the company's sustainable earnings growth profile remains attractive over the long run.

Portfolio Activity

We were relatively quiet in terms of activity during the quarter. We only exited one position, which was Polish cash and carry retailer Eurocash which we sold as the stock advanced past our target price. We initiated positions in three companies in Q1, two of which are former holdings that we've owned in the past and know well.

Mobile TeleSystems (MTS), which we owned in 2007 and again from 2008-2014, is a leading wireless operator in Russia and a dominant provider in several CIS countries. The company benefits from scale, strong branding and its strategic partnership with Vodafone. We estimate that MTS has the potential to generate a sustainable return on equity of roughly 30%. Though the Russian mobile market is largely saturated, we believe MTS can increase earnings through a combination of cost cutting measures, higher revenues per user and growth in markets outside of Russia.

Dr. Reddy's Laboratories is a global pharmaceutical company based in India. Its research and development focus is primarily in the areas of cancer, diabetes, cardiovascular, inflammation and bacterial infections. We were previous owners of the stock from 2007 to 2009, after which we sold our position as the stock reached our target price. In November 2015, the stock sold off after the company received a warning letter from the US FDA regarding a few of its production facilities. We believe the 25%+ stock correction since the warning letter bakes in the appropriate risk factors and resulted in an attractive re-entry point for us to initiate a position. We believe continued focus on the remediation process by Dr. Reddy's will eliminate any remaining overhang and a strong pipeline has the potential to drive earnings growth over the long run.

The final new addition to the portfolio was Globant, a software solutions company. Globant is focused on emerging technologies, e.g. social, mobile, user experience, cloud, etc., which helps differentiate their services from competitors. Emerging technologies are a fast-growing area of the industry and we believe Globant is in a solid position to capitalize on that growth with its unique service model.

Perspective

Our fundamental investment approach is designed to navigate a variety of markets, which is particularly critical given the often-uncertain landscape in emerging markets. We incorporate growth and value elements into our process with the goal of participating strongly in robust markets, with a more attractive risk profile, while preserving capital in down markets. If we can achieve that goal over long periods we believe it will lead to attractive absolute results and positive relative performance results. We continue to focus on companies with sustainable competitive advantages that are uniquely positioned to benefit from growth in local markets.

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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: Aurobindo Pharma Ltd 1.0%; Credicorp Ltd 1.3%; Dr Reddy's Laboratories Ltd 0.3%; Globant SA 0.5%; Mobile TeleSystems PJSC 0.5%; Randgold Resources Ltd 1.5%; Sino Biopharmaceutical Ltd 1.1%; Taiwan Semiconductor Manufacturing Co Ltd 5.6%; Wisdom Sports Group 0.4%. 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. This material does not constitute investment advice.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

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Return on Equity (ROE) is a profitability ratio that measures the amount of net income returned as a percentage of shareholders equity. **Free Cash Flow** is a measure of financial performance calculated as operating cash flow minus capital expenditures.

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