Artisan Developing World Fund

QUARTERLY
Commentary

Investor Class: ARTYX | Advisor Class: APDYX

As of 30 June 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 consider 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 30 June 2016	QTD[1]	YTD[1]	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
Investor Class: ARTYX	**3.14**	**8.54**	**-5.08**	—	—	—	**-4.69**
Advisor Class: APDYX	**3.24**	**8.65**	**-4.88**	—	—	—	**-4.49**
MSCI Emerging Markets Index	0.66	6.41	-12.05	—	—	—	-10.82

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
Semi-Annual Report 31 Mar 2016[1]	1.57/1.50[2]	1.26/—
Prospectus 30 Sep 2015[3]	1.67/1.50[2]	1.29/—

[1]Unaudited, annualized for the six month period. [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.

Artisan Developing World Fund

As of 30 June 2016

Investing Environment

Artisan Developing World Fund returned 3.14% for the quarter ended June 30, 2016, versus 0.66% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). While emerging markets equities as a whole did not make much progress during the quarter, most individual emerging countries posted positive absolute returns as US Federal Reserve policy makers backed away from expectations of several interest rate increases this year. Crude oil's recovery was also notable, with Brent crude rallying 25.45% during the quarter. Latin American equities were the clear standout during the quarter as Brazil (+13.90%) and Peru (+18.19%) posted notable gains, consistent with the broader regional trend of political change and more manageable macroeconomic imbalances; MSCI Latin America is now up 25.47% year to date. Most Asian markets posted modest gains during the quarter, with India (+3.72%), Indonesia (+4.10%), and the Philippines (+5.79%) producing mid-single digit returns. Uncertainty surrounding the United Kingdom's membership in the European Union ("Brexit") pressured Emerging European equities, with Turkey (-7.92%), Poland (-17.49%) and Hungary (-4.67%) all experiencing declines during the quarter.

Performance Discussion

Top contributors to performance for the quarter included Brazilian education leader Kroton Educacional, Brazilian insurance broker Qualicorp, Brazilian fast-fashion retailer Lojas Renner, Chinese Internet company Tencent, and South African apparel company Mr. Price Group. While our Brazilian holdings benefited from the newly supportive political backdrop, each experienced positive company-specific developments. Kroton rose as overall student enrollments remained stable despite a constrained economy, and as the company announced its intention to acquire less-efficient competitor Estacio. Qualicorp saw revenue resilience as medical cost inflation supported price increases in excess of membership declines, while costs remained contained. Lojas Renner continued to mostly transcend the tepid consumption backdrop as its fast-fashion offering resonated with consumers, which has afforded it the opportunity to continue to invest in its store base and logistics systems. Mr. Price rebounded from depressed levels despite a volatile consumer and political setting in South Africa, as earnings results suggested stability in same-store-sales performance following a slowdown earlier in the year. Tencent's quarterly results and Supercell acquisition engendered renewed enthusiasm for its gaming assets, against the backdrop of its longer-term opportunity with its WeChat platform for performance-based advertising.

Key detractors from performance for the quarter included Russian food retailer Magnit, global automotive supplier Delphi, Macanese casino operator Sands China, Chinese Internet search provider Baidu, and Chinese life insurer China Life. Magnit continued to suffer from a poor consumer backdrop in rural Russia where wage growth has lagged inflation, and from increased competitive intensity. Delphi declined first due to concerns about peak auto sales in the US and later due to the implications of Brexit for European auto demand. Sands China remained sensitive to weakness in gross gaming revenue (a key industry benchmark), which continues to suffer from restrictive government regulation and cautious junket allotments. Baidu responded to the unfortunate death of a Chinese student who had relied on its search engine for hospital recommendations, and an ensuing government clampdown on search engine results. China Life declined as investors reacted to management's decision to direct shareholder funds toward a strategic investment in a bank, a low interest rate environment potentially leading to negative spreads, and net income pressure from reserve enhancements.

Perspective

It bears noting that we write to you on the eve of the Fund's one-year anniversary. For the year ended June 30, 2016, Artisan Developing World Fund returned -5.08%, versus -12.05% for the MSCI Emerging Markets Index. It has been a year that has featured the bursting of the Chinese A-share stock market bubble, a brief flirtation with significant depreciation of the renminbi, a collapse in oil and commodity prices, multi-year highs in the USD dollar, several stops and starts in US monetary policy, major political change in Brazil and Argentina, and most recently the United Kingdom's possible departure from the European Union. Reflecting this backdrop, since the Fund's inception, the MSCI Emerging Markets Index has experienced drawdowns of -20.20% (from July 2, 2015 to August 24, 2015) and -20.46% (from October 23, 2015 to January 21, 2016), and a rally of 24.50% (from January 21, 2016 to April 21, 2016).

Market participants continue to wrestle with the implications of these issues, many of which remain unresolved. For example, there is an emerging debate about Brexit and the implications for emerging markets. Some investors believe that emerging economies are relatively insulated from the economic and political implications of Brexit, and can benefit from even more accommodative developed market monetary policy. There is also a school of thought that focuses on the underlying economic imbalances in major emerging countries including China, Brazil, South Africa and Indonesia, and worries that heightened risk aversion could further expose these imbalances. Similar debates continue about the trajectory of China's deleveraging process, and the pace of interest rate increases in the United States. Given that smart people can come out on different sides of the same debates, and that longer-term investment decisions are often predicated on these views, we have been most focused on establishing an investment construct that provides consistency of process and outcome.

Thus, we continue to focus on our core mission: investing in companies that can compound business value over a market cycle, while mitigating the volatility of returns. We emphasize business value compounding because while economic and market cycles can influence near-term profitability, business value compounders have the financial and business-model wherewithal to continue to invest through a market cycle and increase their earnings power. At the portfolio level, our differentiated correlation and currency profile has allowed us to mitigate the volatility of returns by creating a construct to manage risk, as distinct from a momentum or asset-allocation approach that can yield short-term benefits but inconsistent long-term outcomes and behavioral mistakes. In the final analysis, we believe a repeatable approach to mitigating the volatility of returns is an important goal in and of itself, but also an essential building block to long-term capital appreciation because it allows us the opportunity to capitalize during moments of market 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 30 Jun 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 30 Jun 2016: Kroton Educacional SA 2.6%; Qualicorp SA 1.5%; Lojas Renner SA 1.7%; Tencent Holdings Ltd 4.0%; Mr Price Group Ltd 2.2%; Magnit PJSC 3.3%; Delphi Automotive PLC 2.5%; Sands China Ltd 2.5%; Baidu Inc 2.7%. 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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