Artisan Emerging Markets Fund

QUARTERLY
Commentary

Investor Class: ARTZX

As of 30 September 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 30 September 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	**9.16**	**21.78**	**28.79**	**1.58**	**2.99**	—	**-2.96**	
Linked Institutional and Investor Class[3]						**2.47**		**3.50**
MSCI Emerging Markets Index	9.03	16.02	16.78	-0.56	3.03	3.95	-1.02	5.00

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]
Semi-Annual Report 31 Mar 2016[2]	2.39%	1.50%
Prospectus 30 Sep 2015	1.79%	1.50%

[1]Reflects a contractual Fund expense reimbursement agreement in effect through 1 Feb 2017. [2]Unaudited, annualized for the six month period.

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 rallied during the third quarter, as the asset class responded well to central banks' accommodative monetary policy and commodity prices' continued ascent. Stocks climbed to nearly one-year highs in July and inflows surged following June's Brexit vote. Tepid global PMI and uncertainty surrounding the US Federal Reserve's rate decisions caused modest selloffs in August and mid-September, but equities bounced back as the Fed kept rates unchanged. China's stimulus-induced stabilization bolstered equities, as did strong performance in Taiwanese markets as the latest iPhone® increased outlook for Apple's Taiwanese suppliers.

Currencies of commodity-producing countries were strong this quarter as oil prices surpassed $45 a barrel after OPEC's preliminary agreement to curb oil production. The US commercial crude inventories also declined, further aiding emerging markets currencies and boosting returns for USD-based investors. The Brazilian real was a leading beneficiary, as it continued its 2016 surge—it has strengthened over 20 percent against the dollar YTD. Improved investor sentiment since President Rousseff's impeachment also boosted the currency. Conversely, the Philippine peso pulled back along with the country's stocks in the quarter as investors were unnerved by President Dutrerte's abrasive political stance. The Turkish lira also continued its coup-attempt related slide, declining further after Moody's downgraded the country's credit rating to junk.

Performance Discussion

Our portfolio modestly outpaced the MSCI Emerging Markets Index in the third quarter, driven by broadly-strong stock selection, most notably in Russia, Panama and Mexico. Our Latin American holdings led performance on a regional basis, returning over 12% in local terms. Our Chinese holdings were among our best contributors on an absolute basis, but our lack of exposure to Chinese banks was a relative headwind. We have not historically owned Chinese banks, as they haven't fit our stringent investment criteria. We have done extensive research on the sector this year as valuations de-rated, but we still find valuations unattractive based on potential NPL on loan books and higher risks from shadow credit.

One of our best performers during the quarter was leading Panamanian airline operator Copa Holdings. Copa's shares surged more than 65% in the quarter as it experienced strong traffic demand and increased load factors (percentage of seats filled by passengers) despite industry-wide headwinds. The company's competitive advantages and unique access to growth—its use of a geographically centralized hub and its focus on serving underpenetrated routes—have allowed it to be highly profitable and remain a leader in most of its markets.

While our Chinese holdings didn't quite keep up with the advance of those in the index this quarter, the majority of our stocks performed well, with IT services provider Digital China Holdings as one of our standout contributors. The company's smart city business has begun to monetize and has been a driver of new business growth. It has also benefited from its software development business. Digital China's further expansion into rural and agricultural IT services provides rapid growth opportunities, and we believe the company's broad channel coverage, extensive experience and leading market position will allow it to be a prime beneficiary from China's ongoing shift to digital.

Samsung Electronics was a top performer on an absolute basis. The leading producer of memory semiconductors, TFT-LCDs, mobile handsets and other digital convergence products is an example of a holding that aligns well with our investment process. While the company recently took a hit from the recall and production cease of its Galaxy Note 7, we believe its sustainable earnings power and competitive advantages will enable it to absorb the losses from both a financial and operational standpoint. We also believe there is a potential for Samsung's stock to re-rate if it can optimize its capital allocation by reducing its large cash balance and treasury share via a dividend and stock cancellation. In our view, Samsung remains one of the best global competitors in the consumer electronics space.

On the downside, our results were hampered by Randgold Resources, Zhuzhou and GAEC Educação ("Anima"). African-focused goldminer Randgold fell with the gold price. The price of gold has already achieved substantial gains year-to-date. Randgold's shares were also affected by an ongoing dispute with the Congolese government on back-dated taxes. We believe Randgold is fundamentally strong and continue to view it as a best-in-class goldminer with a strong management team and superb operational efficiencies.

Zhuzhou, a Chinese electrical train systems provider, experienced sluggish demand for its locomotives—a higher margin product—which has hampered near-term profitability. The People's Republic of China (PRC) is Zhuzhou's sole customer, and due to the recent retirement of state-owned China Railway's leader, the government had delayed any new orders until the end of September, further hindering order flow. Over the long-term, however we believe the PRC will continue to be a major purchaser of Zhuzhou's locomotives and high speed trains to further build out the country's infrastructure, solidifying our view of the company's sustainable growth profile.

Amina, a Brazilian higher education company, was hindered by the implementation of the government's changes to the national student loan program. The company has also been hurt by low enrollment due to macroeconomic conditions, an issue which management is actively focused on improving through continued branding and cost cutting measures. Long term, we believe Amina can capitalize on its strong brand equity and that it is well positioned to capture increasing demand for quality post-secondary education.

Portfolio Activity

We continued to be active this quarter as we exited several positions in favor of holdings with greater upside opportunity and strong alignment with our investment criteria of unique access to growth and sustainable competitive advantages.

Our sales included YPF, PW Medtech, Emaar Malls and Habib Bank. While we believe YPF—Argentina's national energy company—is a great business in terms of underlying assets and opportunities, the normalization of the regulatory framework is taking longer than we initially estimated; which in turn postpones the monetization of Vaca Muerta assets. As such, we sold our position in favor of opportunities with greater upside potential. We sold medical device company PW Medtech as management reported very different 1H16 earnings than previously guided, giving us reason to be cautious about the quality of communication from management to shareholders. Additionally, the stock rallied from its YTD low and surpassed our target price.

Additionally, we exited Emaar Malls after changes in our normal ROE model, including revised assumptions in foot traffic and rental increases, gave us a lower target price with minimal upside.

We also exited our position in Pakistani commercial bank Habib Bank, in favor of Kenya-based financial services holding company Equity Group Holdings. Equity Group provides strategic brand, risk and talent management to its subsidiaries. The company has sustained a solid growth trajectory partly due to the implementation of customer-centric initiatives geared towards enhancing access, convenience and affordability of financial services. The group's innovative distribution channels and digitized services have differentiated it from other banks in the region, and have allowed it to thrive despite Kenya's challenging banking industry. We believe the company's regional growth and diversification strategy will allow it to benefit from expanded market reach and economies of scale, while reducing political and sovereign risks—the most significant headwinds for the industry.

We reinitiated a position in Polish cash and carry retail operator Eurocash—we previously held shares that we sold earlier this year as the stock advanced past our target price. However, its shares have since declined due to lower than expected growth and continuous margin compression—providing an opportunity to reinvest. We believe the company is well-positioned to benefit from Poland's reversal of food deflation, consolidation of the wholesale food retail market and the country's recently-passed universal income law, which provides a monthly income for low-income families.

Hanssem, one of Korea's top branded interior furniture manufacturers, is another new position. The company leads the market in terms of revenue, and benefits from an economies-of-scale price advantage, as it is the country's largest local buyer. While the company has experienced strong growth over the past several years, a slowdown in the local housing market has impacted near-term results, leading to an attractive valuation opportunity. We believe Hanssem's brand equity and high quality positions the company to benefit from growth in the business to consumer market.

Perspective

Our team and strategy recently marked our 10-year anniversary at Artisan Partners. As we reflect back on the many developments and macro events the asset class has endured throughout the past decade, we've seen some interesting evolutions of the investment opportunity set. As most investors who have closely followed the asset class know, emerging markets have historically been known for their commodity-focused industries, with countries like Brazil, China and Russia as heavyweights in this space. This was illustrated in the MSCI Emerging Markets Index, a proxy for the opportunity set, back in 2007 with the energy and materials sectors comprising roughly 18% and 15% of the index, respectively.

Over the past decade, as emerging markets economies continued on their development path, we've seen a number of economic and sociological changes, including population growth, demographic changes and urbanization trends, to name a few. These long-term transformations have helped broaden the investment opportunity set within developing markets far beyond just commodities. Take for example the technology space: As populations and incomes rise, so does demand for technology-related products and services, such as broadband and Internet services, mobile phones, and e-commerce. In fact, the technology sector represents 9% of the index today—up from less than 1% in 2007. That is considerable growth and an area that we believe will continue to see prolonged expansion.

Another area of the market that is providing bottom-up stock pickers, like us, with new and interesting opportunities is the health care sector. Large populations in emerging markets are aging rapidly, creating greater need for services and products in the health and wellness arena. In China, for example, spending per capita on health care is still relatively low compared to developed markets, but is growing rapidly—from 2000 to 2015, government spending on health care in China grew roughly 24% on a compounded basis. We believe this type of growth will be sustained over the long run. While the health care sector remains a small portion of the overall MSCI EM Index, its weight in the index has more than doubled from a decade ago.

We highlight these examples to demonstrate how the ongoing economic development within emerging markets continues to provide attractive and sustainable growth opportunities for investors in the asset class. We are by no means looking for investment ideas from a top-down perspective in these sectors, but through our bottom-up research process we have found several individual companies within these blossoming industries that exhibit the sustainable growth and competitive advantages that we look for. For instance, our fundamental work has led us to invest in companies like Alibaba, Baidu and Taiwan Semiconductor Manufacturing—all three of which are leaders in their respective fields and are benefiting from increasing demand for Internet services, the growth in e-commerce, and penetration of mobile phones. In the health care space, we've identified Sino Biopharmaceutical and Sinopharm as two industry leaders capable of sustaining growth over the long run, and insurance company AIA Group, which is well positioned to capitalize on the needs of an aging demographic in Asia.

We look forward to the next stages of development within emerging markets and remain focused on companies with unique and sustainable access to growth in domestic markets. We believe our depth of experience investing in the asset class and continuity of our investment process over the years are what differentiate us and have allowed us to navigate the constantly evolving landscape. We continue to focus on delivering value-added performance results over the long run.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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 Sep 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 Sep 2016: Copa Holdings SA 1.0%, Digital China Holdings Ltd 1.2%, Samsung Electronics Co Ltd 6.6%, Randgold Resources Ltd 1.8%, Zhuzhou CRRC Times Electric Co Ltd 2.0%, GAEC Educacao SA 0.6%, Equity Group Holdings Ltd 0.4%, Eurocash SA 0.8%, Hanssem Co Ltd 0.6%, Alibaba Group Holding Ltd 3.4%, Baidu Inc, 1.9%, Sino Biopharmaceutical Ltd 1.5%, Sinopharm Group Co Ltd 1.6% Taiwan Semiconductor Manufacturing Co Ltd 5.7%, AIA Group Ltd 1.5%. 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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