Artisan Emerging Markets Fund

QUARTERLY
Commentary

Investor Class: ARTZX

As of 31 March 2017

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 2017	QTD[1]	YTD[1]	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]	Linked Inception[4]
Investor Class: ARTZX	**11.86**	**11.86**	**21.27**	**3.39**	**1.00**	—	**-2.05**	
Linked Institutional and Investor Class[3]						**1.00**		**3.98**
MSCI Emerging Markets Index	11.44	11.44	17.21	1.18	0.81	2.72	-0.23	5.40

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 2016[2]	1.85%	0.94%
Prospectus 30 Sep 2016[3]	2.41%	1.50%

[1]Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2018. [2]The Fund's annual report expense ratios reflect a one-time reimbursement by the Fund's custodian recognized by the Fund in the fiscal year ended 30 September 2016, which reduced the Fund's expense ratios by approximately 0.56%. [3]See prospectus for more information.

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 started 2017 strong, advancing just over 11% and outpacing most other asset classes. We believe this is an important achievement in the context of the macro environment. The first anticipated US Fed rate hike—a significant concern for many emerging markets investors—was largely a non-event. The reality is that emerging markets countries and companies were well prepared for a change in US fed policy and have been focusing on financial condition improvements in preparation for this new liquidity environment. We are encouraged by the resilience of the asset class in this regard. Another example of the resiliency we see was the performance of Mexico in the first quarter. Mexico was one of the best performing countries in Q1 as stocks advanced roughly 16%, which might surprise many given the backdrop of the new Trump administration and trade policy uncertainty. In our view, the initial pullback in November related to Trump's election represented vulnerabilities that exist but, in our minds, are over exaggerated.

Elsewhere in emerging markets, India and Korea were standouts. Investors seemed undeterred by the impeachment of South Korea's President Geun-hye, and shares rallied on the Korean won's strength and on gains in technology companies, namely Samsung. India's equities rallied over 17% in USD terms on optimism that Prime Minister Modi will be in office until 2024. On the downside, Russian equities fell on sluggish crude prices and reduced optimism that the US will lift trade sanctions.

Currency movements were generally favorable to the asset class during the quarter. The Mexican peso has benefited from the Bank of Mexico's increased rates and recently announced currency-swap program. Several emerging Asian currencies strengthened as well on optimism about the region's growth prospects.

Performance Discussion

Our portfolio slightly outpaced the MSCI Emerging Markets Index during the quarter, led by strong stock selection in Argentina, Brazil, Korea and South Africa. On an absolute basis, our Korean and Chinese holdings were strong contributors; that said our underweight to China was a relative headwind. Conversely, our lone holding in Poland and two Peruvian names underperformed. From an individual stock perspective several of our top contributors were non-benchmark names. In particular, we benefited from the strength of Pampa Energia, Sunny Friend Environmental Technology and Grupo Supervielle.

Pampa Energia is Argentina's largest integrated electricity generation and distribution company, which recently acquired the oil and gas assets from Petrobras in Argentina. It has benefited from utility tariffs revisions aimed at normalizing energy prices to foster investments in an under-invested economic sector. It has also benefited from changes in labor agreements on the oil & gas side of its business. We've owned Pampa since 2015. Much of our investment thesis (e.g., price controls removal, normalization under market incentives, and compression of Argentina's risk premium) has either materialized or is underway, but in our view is now reflected in the stock price. As a result, we sold our position shortly after the end of the quarter as the stock neared our target price.

Sunny Friend is one of the largest providers of medical and hazardous industrial waste treatment in Taiwan and Beijing. The company continues to benefit from new industrial hazardous waste projects, which are expected to drive earnings growth over the long term. We believe Sunny Friend will be a prime beneficiary of increasing enforcement of proper waste treatment in the region as medical expenditures continue to grow due to aging populations and government focus on environmental protection efforts.

Grupo Supervielle, a relatively new holding in the portfolio, is the 10th largest private-sector financial institution in Argentina. In our view, the lion's share of opportunity for Argentinian financial institutions lies within consumer finance in underpenetrated social classes as well as SMEs, in which Grupo Supervielle is best positioned to serve. We are also attracted to the bank's strong capital base and ROE, and believe it is well positioned to benefit from the country's underpenetrated loan market. The company is benefiting from the normalization of Argentina's economy, as well as meaningful private-sector credit expansion.

On the downside, Peruvian engineering and construction company Graña y Montero continued to be one of the portfolio's bottom performers. As we've discussed in prior commentaries, Graña's shares have been under pressure from allegations that its executives were aware that Odebrecth paid a bribe to former Peruvian President Toledo in an effort to win projects. Shares increased at the end of March on news that prosecutors rejected the Justice Department's request to include Graña's former chairman in the investigation, though they have not been ruled out of the probe. We continue to monitor the news flow as we are mindful of the potentially negative impact these allegations may have on Graña's sustainable earnings power.

Chinese sports marketer Wisdom Sports Group was another bottom performer. The company has been slow to increase its revenue base since selling its traditional media business in 2016. Sporting events marketing, particularly marathons, is now its primary revenue stream. However, the company has substantially lowered operational expenses throughout the past year and has increased its event pipeline for 2017. We remain attracted to Wisdom's market leadership, as competition is limited. We believe its focus on expanding its marathon events will help sustain growth over the long term as demand for more sports services continues to grow from a rising middle class.

Portfolio Activity

Portfolio activity was modest in the first quarter. We added four new names to the portfolio that we believe offer attractive sustainable earnings as well as growth opportunities with meaningful upside potential. Our largest addition was that of Argentinian oil and gas

producer YPF, which we know well from previous ownership of the stock from 2014 to about mid-2016. YPF currently owns over 40% acreage of the Vaca Muerta formation, the second largest shale gas reserve and fourth largest shale oil reserve in the world. The government recently reached an agreement with Argentina's oil and gas unions which will meaningfully reduce labor costs to develop Vaca Muerta as well as revised upwards gas tariffs to encourage production. We believe there is now strong interest in partnering with YPF to develop the acreage available, which would provide YPF with a long runway for production growth.

We also initiated a position in Detsky Mir, a major Russian retailer of children's toys and merchandise. Detsky boasts a strong online presence and unmatched geographical footprint, which is a competitive advantage given their in-store pick up offering. Its focus on infant categories, which carry higher margins, has enabled the company to gain market share from hypermarkets and specialty stores. We are also attracted to Detsky's strong ROE and cash flow profile and dividend yield, which we believe will be sustainable over the long run as new store openings mature.

Additionally, we purchased Colombian retail and commercial services bank Bancolombia. It benefits from strong loan growth, stable NPLs and controlled costs. We believe Colombia's improving economy and the bank's focus on operational efficiency will help propel long-term sustainable growth.

In addition to Pampa, we also exited our positions in wireless operator China Unicom Hong Kong, Indian IT services provider Tech Mahindra and Korean discount retailer E-MART. In our view, China Unicom failed to improve profitability despite a management change, which impacted our thesis and ultimately resulted in our decision to sell. We sold Tech Mahindra due to fundamental and industry headwinds. E-MART's share price advanced near our target price, so we sold our position in favor of opportunities with greater upside potential.

Perspective

As bottom-up stock pickers, traveling is a vital source of idea generation for our team rather than screening tools. We rely on the deep experience and expertise of our team members. We like to say that you have to "kiss a lot of frogs to find your prince", and that is how we view our travels around the world to find companies that possess the characteristics we look for; that is, sustainable and resilient earnings combined with a runway for further expansion.

Each of our investment team members spends a significant amount of time traveling to emerging markets countries looking for companies that have sustainable competitive advantages and unique access to growth. These are the two key qualitative criteria that ultimately translate into our ability to identify those individual opportunities that are trading at a discount to sustainable earnings.

Most recently, our team has spent time in China, India, Korea, Thailand, Vietnam, Russia and Poland to name a few. Vietnam is an example of a frontier country in which we have done a lot of research. We have visited the country several times however we have yet to find companies that meet all of our criteria. But these trips are emblematic of our global approach to finding opportunities. We are benchmark agnostic in our approach, and are comfortable going off the beaten path to find the most attractive sustainable growth within emerging and frontier markets.

All of our travels are incredibly important for identifying new opportunities as well as for on-going engagement with companies that we currently own or are actively following. We believe the power of our investment approach lies within the experience and expertise of our team members and no quantitative screening process could replace the local knowledge our analysts have developed over the years. Our ground level approach allows us to identify companies that are capable of sustaining profitable growth over the long run in their local markets.

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 31 Mar 2017. 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 2017: Pampa Energia SA 1.4%, Sunny Friend Environmental Technology Co Ltd 1.3%, Grupo Supervielle SA 1.6%, Grana y Montero SAA 0.5%, Wisdom Sports Group 0.4%, YPF SA 1.3%, Detsky Mir PJSC 1.0%, Bancolombia SA 0.8%, Petroleo Brasileiro SA 1.1%, Samsung Electronics Co Ltd 6.8%. 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. **Dividend Yield** is a financial ratio that shows how much a company pays out in dividends each year relative to its share price. **Nonperforming Loan (NPL)** is a loan on which the borrower is not making interest payments or repaying any principal.

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