Artisan Developing World Fund

QUARTERLY
Commentary

Investor Class: ARTYX | Advisor Class: APDYX | Institutional Class: APHYX

As of 30 September 2017

Portfolio Management
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Dear Fellow Shareholder:

Artisan Developing World Fund (Investor Class) returned 8.00% for the quarter ended September 30, 2017, versus 7.89% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Since June 30, 2015, Artisan Developing World Fund has returned 28.45% cumulatively, versus 17.42% for the MSCI Emerging Markets Index. Market strength during the quarter reflected continuation of the weak dollar environment, as political uncertainty and low inflation in the United States coincided with political momentum and cyclical recovery in Europe. Reflecting this dynamic, the MSCI Emerging Markets Currency Index increased 1.84% during the quarter, its third quarterly increase this year (1Q: 4.76%, 2Q: 1.13%). Brazil was the best-performing major emerging market during the quarter (+22.95%), as the Temer administration survived bribery allegations and monetary policy makers continued to aggressively lower interest rates. Russia also performed well (+17.58%), as OPEC supply reductions and several weather events resulted in oil price strength. Also notable was the rise in Central European markets consistent with economic recovery on the continent, with the Czech Republic (+10.04%), Hungary (+9.56%) and Poland (+9.33%) all performing well during the quarter. These factors seemed to overwhelm any concern about North Korea's nuclear ambitions.

Contributors and Detractors

Top contributors to performance for the quarter included Brazilian education company Kroton, Chinese e-commerce leader Alibaba, Russian food retailer Magnit, Russian financial services firm Sberbank and Brazilian insurance and health care provider Qualicorp. Kroton advanced reflecting renewed market enthusiasm for Brazil, and strong operating momentum despite economic headwinds and the distraction of the failed Estacio transaction. Alibaba rose reflecting revenue strength in both e-commerce and cloud-based initiatives, which provided continued validation of its data-led monetization initiatives. Magnit rebounded along with oil prices, and also benefited from enthusiasm that the company's investment in store refurbishments could yield a better same store sales outcome in the coming quarters. Sberbank performed well as asset growth became more visible despite the weak economy, while core operating trends such as margins, costs and asset quality remain favorable. Qualicorp continues to execute on cost containment which has driven margin upside relative to expectations, despite weak membership and topline trends.

Key detractors from performance for the quarter included Chinese blood products provider China Biologic, Indonesian retailer Matahari, consumer goods company Reckitt Benckiser, Indian cinema operator PVR, and Indian agricultural and crop protection provider UPL. China Biologic suffered from more challenging regulatory conditions as the Chinese government seeks to address the inefficiencies in the health care system, which have resulted in higher industry inventories and pricing pressure. Matahari continues to face a weak consumer backdrop in Indonesia, which while probably unrelated has served to validate some longer-term concerns about e-commerce and the broader industry backdrop. Reckitt Benckiser struggled as disappointing results in the recently-acquired Mead Johnson business added to market concerns about the frequency of operational missteps, and potential category growth. PVR declined as the business continued to feel the aftershocks of demonetization and the good and services (GST) tax, as visible in traffic and screen growth trends. UPL struggled due to weather and inventory issues in Latin America, and GST-induced destocking in India which seems to have delayed purchasing decisions.

Market Outlook

Remarkably, September marked the first down month for the emerging markets in 2017. Not coincidentally, most measures of the US dollar have weakened steadily this year, as measured by the performance of the U.S. Dollar Index (DXY) (down 8.94% YTD). So why is the DXY, an index comprised of developed markets currencies (euro, Japanese yen, pound sterling, Canadian dollar, Swedish krona, Swiss franc), a relevant metric for the emerging markets? Because the strength in the asset class this year is as much a story of dollar weakness as it is emerging markets currency strength, and the DXY provides a nice window into this dynamic. As dollar weakness has become more pronounced, emerging markets currencies have strengthened, which has not only flattered returns for US-based investors but also reinforced a cycle of low inflation and restored some measure of purchasing power. Dollar weakness has also relieved depreciation and capital outflow pressure on China, which nominally manages the renminbi to a broad basket of currencies. While these trends certainly can continue, it is also worth noting that the recent electoral success of the far-right Alternative for Germany (AfD) party in the Federal elections, the cyclical strength in the European economy, the deleterious effects of a stronger euro on European exporters, progress on tax reform in the United States, and continued interest rate increases from the US Federal Reserve each represents the potential for renewed dollar strength.

Rather than positioning the portfolio for a single market or currency outcome, we continue to emphasize business value compounding at the company level, while implementing a forward looking construct for managing risk that seeks to mitigate currency volatility and reduce correlations. While this construct has helped us achieve favorable volatility outcomes over time, a less obvious benefit is its role in helping us to compound returns. Specifically, because this foundational approach to risk management obviates the need for a more reactionary approach during periods of duress, we believe we are better able to capitalize on dislocations that may arise and deploy capital opportunistically. In other words, a foundational approach to risk management is core to our approach to long-term capital appreciation. Combined with our business value compounding engine, this construct positions us to pursue a desirable emerging markets outcome over time.

We thank you for your trust and confidence.

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 implementing a forward-looking construct for managing risk.

Investment Results (%)

As of 30 September 2017	QTD[1]	YTD[1]	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[2]
Investor Class: ARTYX	**8.00**	**31.45**	**22.70**	—	—	—	**11.94**
Advisor Class: APDYX	**8.06**	**31.60**	**22.94**	—	—	—	**12.18**
Institutional Class: APHYX	**8.05**	**31.66**	**22.99**	—	—	—	**12.29**
MSCI Emerging Markets Index	7.89	27.78	22.46	—	—	—	8.03

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	APHYX
Semi-Annual Report 31 Mar 2017[1]	1.38/—	1.20/—	1.11/—
Prospectus 30 Sep 2016[3]	1.53/1.50[2]	1.25/—	1.15/—

[1]Unaudited, annualized for the six month period. [2]Reflects a contractual Fund expense reimbursement agreement in effect through 31 Jan 2018. [3]See prospectus for more information.

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.

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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 MSCI Emerging Markets (EM) Currency Index will track the performance of twenty-five emerging-market currencies relative to the US Dollar. The U.S. Dollar Index (DXY) measures the value of the US Dollar against a basket of foreign currencies. 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 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 30 Sep 2017: Kroton Educacional SA 4.3%; Alibaba Group Holding Ltd 4.1%; Magnit PJSC 4.4%; Sberbank of Russia PJSC 2.2%; Qualicorp SA 1.7%; China Biologic Products Holdings Inc 3.2%; Matahari Department Store Tbk PT 1.0%; Reckitt Benckiser Group PLC 4.4%; PVR Ltd 1.1%; UPL Ltd 1.8%. 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.

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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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