Artisan Developing World Fund

QUARTERLY
Commentary

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

As of 31 March 2020

Portfolio Management
Lewis S. Kaufman, CFA

Dear Fellow Shareholder:

Market Backdrop

Artisan Developing World Fund (Investor Class) returned -8.21% for the quarter ended March 31, 2020, versus -23.60% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Since June 30, 2015, Artisan Developing World Fund has returned 44.72% cumulatively, versus -2.49% for the MSCI Emerging Markets Index. Markets entered 2020 with widespread optimism about potential cyclical recovery, punctuated by the Phase One trade agreement between the US and China in mid-January. However, geopolitical tensions between the US and Iran unnerved markets. Subsequently, the coronavirus surfaced, first in China and then globally. As the full scope of the human tragedy and economic damage became clear, markets began to reflect a much more dire reality. The collapse of OPEC+ production quotas in March created further dislocation in oil, credit and equity markets. Despite being in the eye of the storm in the virus's early days, Chinese markets performed admirably during the quarter (-10.22%) reflecting domestic virus containment and China's policy response. The US also performed well in a global context (S&P 500® Index -19.60%), as policymakers unleashed unprecedented monetary and fiscal support. European market declines were more pronounced (Euro Stoxx 50 -25.59%), perhaps due to the scale of the health crisis on the Continent. Most major emerging markets struggled considerably during the quarter as health system and policy capabilities came into question. EM portfolio outflows were acute, as visible in the fifth-worst quarter of EM currency declines (MSCI EM Currency Index -6.03%) since Q3 2008. Brazilian equity markets declined 50.23% during the quarter—first as fiscal reforms disappointed, and then as the scope of the health pandemic became apparent. Russia declined 36.36% as oil prices fell, even as its fiscal and monetary resources should make it relatively resilient in a broader EM context. India fell 31.13% during the quarter despite its status as a significant oil importer, as the collapse of Yes Bank put additional pressure on the banking system and investors pondered the country's vulnerability to COVID-19 spread. Among other major markets, South Africa (-40.34%), Indonesia (-39.59%) and Mexico (-35.46%) all declined significantly.

Contributors and Detractors

Top contributors to performance for the quarter included US graphics semiconductor company NVIDIA, cloud-based health care software provider Veeva Systems, Chinese afterschool tutoring company TAL Education Group, Southeast Asian gaming and e-commerce leader Sea and global entertainment streaming business Netflix. NVIDIA rose on signs of continued strength in its gaming and data center businesses despite concerns about the potential for supply chain disruptions. Veeva rose, reflecting the relative resilience of its subscription-based software model and the potential for sustained health care spending in response to the current pandemic. TAL rose as it successfully migrated offline students to an online delivery model against a backdrop of regional school closures, which could benefit the company's broader online initiatives over time. Sea rose as investors anticipate growing demand for gaming given the home-bound nature of most consumers, and on the strength of its existing e-commerce business which should help it weather offline store closures. Netflix has been the rare beneficiary of the current environment as subscriptions and engagement have grown globally and in emerging markets, which should reinforce the company's competitive position and underlying value proposition.

Detractors from performance for the quarter included Indian financial services company HDFC Bank, Brazilian merchant acquirer Stone, global payments network operator Visa, South American e-commerce and payments platform MercadoLibre and pan-Asian life insurer AIA. HDFC Bank declined on renewed signs of strain in the Indian financial system, which could pressure loan growth and asset quality. Stone was down as its focus on small- and medium-sized enterprises in Brazil heightens the likelihood it is adversely impacted by the ongoing pandemic. Visa was pressured as the spread of the virus beyond China weighed on global travel, cross-border commerce and consumption generally. MercadoLibre declined as investors considered potential weakness in Latin American consumption against the backdrop of significant logistics and platform investments. AIA declined as its reliance on in-person relationships with high net worth clients was a headwind given widespread quarantines on mainland China and in Hong Kong.

Market Outlook

The market backdrop remains fluid, as the benefits of unprecedented policy support must be weighed against the depth and duration of the economic and health crisis. In general terms, policymakers hope to withstand the current demand shock so that today's health, liquidity and cash flow challenges do not translate into long-term economic collapse. Certainly, Federal Reserve rate cuts were welcome, but seem obviously insufficient to counter current economic headwinds. However, additional programs have provided the Federal Reserve with more tools to stem liquidity and cash flow pressures by buying myriad government and non-government securities. Expanded Fed dollar swap lines with countries around the world provided further liquidity support,

including to emerging markets countries. On the fiscal front, while the composition of the $2 trillion program can be debated, its size and scope cannot. In particular, the expansion of the Small Business Administration (SBA) loan program seems notable, given these loans carry no recourse to participating banks and are not included in risk-based measures of regulatory capital. The presidential administration has also intimated that future initiatives may be forthcoming, including infrastructure programs.

Outside the United States, we have seen a strong policy response as well. After essentially shutting down the economy and extending Chinese New Year, China dramatically slowed its domestic coronavirus outbreak. While business activity collapsed during this period, people are gradually returning to work despite continued virus-control measures. A resumption in business activity is welcome but along with the potential reimportation of cases presents risk for additional infections, which is probably not priced into markets. China has sought to counter domestic and external demand pressures by providing monetary support in the form of liquidity measures, reserve rate requirement (RRR) cuts for banks and lending rate cuts for borrowers to ensure adequate monetary transmission. China has initiated fiscal measures as well, including larger on-balance sheet deficits and increased local government bond issuance. While it is unlikely that China will initiate a policy response sufficient to achieve growth targets this year, it is also reasonable to assume additional policy measures are forthcoming. Europe's policy response is also notable in that it includes strong fiscal measures including from Germany, which has historically prioritized budget surpluses. The United Kingdom has also been aggressive in its fiscal and monetary response, as it faces the dual challenges of the virus and Brexit. Emerging markets are generally responding with force as well, but in many cases lack the health, fiscal headroom and monetary tools to fully address these challenges.

Portfolio Positioning

When we incorporated the concept of economic constraints into our investment process, our intention was to align the portfolio to countries and businesses best able to transcend these constraints. This framework led us to actively reduce exposure to emerging countries outside of China, which we have recently characterized as "Old Emerging Markets" or OEM. As it turns out, this framework is not only helpful in the pursuit of compounding and disproportionate equity outcomes, but in limiting our exposure to investments least able to weather a crisis. For example, while the coronavirus has exposed massive flaws in the US health care system and disaster mitigation capabilities, the United States has resources to respond to a pandemic that no emerging country could realistically bring to bear. Similar observations can be made about the US's use of its reserve currency status, or monetary and fiscal capacity. By contrast, if an emerging country were to turn on the printing presses, the currency and inflationary implications would likely be substantial. For these reasons, we believe the current health crisis has accelerated the importance of our movement away from OEM countries and toward scalable businesses that have a chance to transcend the long-term and now mounting constraints on potential output. South Africa, India, Brazil, Mexico and Russia were wanting for investment, employment growth and real income progression before this crisis. They needed reform to restore the value proposition to foreign businesses looking to capitalize on the EM demographic dividend before the crisis. They lacked a durable engine for domestic capital formation before the crisis. We expect that these challenges will now persist for longer, that domestic appetite for reform will prove even more elusive, and that most OEM countries will face declining potential output that will render compelling compounding outcomes elusive. Our focus on and ability to transcend these constraints has never been more important in an emerging markets context. In aggregate, we estimate that EM excluding China declined 30.49% during the quarter, and that EM additionally excluding Korea and Taiwan declined 36.05%.

We have also highlighted that we view China as fundamentally different from OEM countries, and conducive to the disproportionate equity outcomes we seek. This difference is largely attributable to what we have termed China's skilled labor dividend, its high savings rates to fund domestic investment, and its ecosystem for domestic capital formation. However, what has also become apparent through the crisis is that China may have a degree of control over its economic outcomes perhaps only rivaled by the United States. While its health care system has not reached developed market standards and perhaps necessitated a decisive temporary shutdown of nearly all economic activity, its monetary and fiscal policy tools have proven formidable. For example, just as the Fed has been able to pursue rate cuts and balance sheet expansion without much impact on the dollar, so too has the PBOC employed some monetary measures without depreciation in the renminbi. While the Chinese currency is perhaps many years from achieving reserve currency status, there are very few emerging countries that could entertain the concept of monetary easing in the current crisis without some consequence for the home currency. Similarly, while China's overall indebtedness is high in an emerging and even global context, its credit worthiness is unlikely to be challenged by markets in the near term even as it enacts significant budgetary expansion this year. Moreover, China stands alone in one important respect: scale, which manifests itself in aggregate purchasing power and economic capacity and should render China uniquely conducive to attractive equity outcomes. This is not to say that lingering trade tensions do not pose risk, or

that there are not challenges to China's economic ascent. However, China seems to stand alone in an emerging markets context.

While these concepts factor significantly into our long-term investment framework, it is worth mentioning that with crisis comes opportunity. Indeed, we believe that we can best navigate the current market environment by leveraging our existing risk management framework to improve our portfolio. We call this process methodical portfolio improvement. Essentially, we have worked to create a portfolio with a unique set of correlations, which in turn allow us to improve the portfolio. For example, when Chinese assets went through a period of coronavirus price discovery before the rest of the world, we were able to sell some of our multinational holdings to capitalize. When it later became apparent that we faced a pandemic, Chinese assets had recovered and became a source of funds for other assets. We have also used the current market environment to sell investments that no longer align with our process as we evolve, at a moment of perhaps low reinvestment risk. This process of methodical portfolio improvement affords us opportunity to reinforce the compounding outcome during periods of market duress, and scope for optimism if and when markets improve.

We thank you for your trust and confidence.

Investment Process

We seek to build, preserve and reinforce a stream of compounded business value. We define this emphasis as follows:

Build: Pair low penetration domestic demand with scalable and enduring businesses.

Preserve: Create a differentiated correlation experience, manage currency volatility and limit risk of investment impairment.

Reinforce: Reinforce a compounding outcome through methodical portfolio improvement.

Investment Results (%)

As of 31 March 2020	QTD	YTD	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
Investor Class: ARTYX	**-8.21**	**-8.21**	**5.91**	**9.83**	—	—	**8.17**
Advisor Class: APDYX	**-8.16**	**-8.16**	**6.03**	**10.03**	—	—	**8.37**
Institutional Class: APHYX	**-8.14**	**-8.14**	**6.18**	**10.13**	—	—	**8.48**
MSCI Emerging Markets Index	-23.60	-23.60	-17.69	-1.62	—	—	-0.24

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. [1]Fund inception: 29 June 2015.

Expense Ratios	ARTYX	APDYX	APHYX
Annual Report 30 Sep 2019	1.35	1.18	1.08
Prospectus 30 Sep 2019[1]	1.36	1.18	1.09

[1]See prospectus for further details.

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.

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. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. The Euro Stoxx 50 (Price) Index is a free-float market capitalization-weighted index of 50 European blue-chip stocks from those countries participating in the Economic and Monetary Union of the European Union. MSCI Emerging Markets Currency Index tracks the performance of 25 emerging market currencies relative to the US dollar. Emerging markets returns and country-specific index returns are in USD unless otherwise stated. All single country returns are net returns based on MSCI country indices. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

The Global Industry Classification Standard (GICS®) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

This summary represents the views of the portfolio managers as of 31 Mar 2020. 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 2020: Visa Inc 6.7%, Sea Ltd 5.2%, MercadoLibre Inc 5.2%, TAL Education Group 4.7%, NVIDIA Corp 4.6%, HDFC Bank Ltd 4.6%, AIA Group Ltd 4.5%, Veeva Systems Inc 4.2%, Netflix Inc 3.1%, Stone Co Ltd 2.6%. 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.

This material is provided for informational purposes without regard to your particular investment needs. This material shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

A R T I S A N  P A R T N E R S