Artisan Emerging Markets Strategy

QUARTERLY
Commentary

As of 30 September 2018

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 2018	QTD	YTD	Average Annual Total Returns 1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
Composite — Gross	**-2.42**	**-8.80**	**-1.29**	**17.23**	**6.07**	**5.52**	**5.66**
Composite — Net	**-2.67**	**-9.49**	**-2.28**	**16.04**	**4.98**	**4.42**	**4.56**
MSCI Emerging Markets Index	-1.09	-7.68	-0.81	12.35	3.61	5.40	5.26

Annual Returns (%) 12 months ended 30 September

	2014	2015	2016	2017	2018
Composite — Gross	**3.46**	**-19.47**	**29.40**	**26.19**	**-1.29**

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. [1]Composite inception: 1 July 2006.

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

Investment Risks: Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described on the second to last page, which should be read in conjunction with this material.

Investing Environment

Q3 proved challenging for emerging markets as many countries readjusted to a spate of macroeconomic woes—including liquidity and currency concerns, as well as the potential for rising global trade barriers. In the face of these headwinds, EM trailed developed markets in Q3 and is behind YTD. From a country standpoint, EM's bottom contributor was China, which has been especially pressured by global trade concerns. Conversely, Taiwan and Brazil were the index's top-contributing countries in Q3.

In addition to trade-related concerns, much emphasis was on liquidity and contagion fears—particularly as several of the perceived fragile markets came under pressure, including Turkey, Argentina and Indonesia, which tend to be more dependent on foreign capital flows. As developed-world monetary policy becomes incrementally tighter, there is growing concern that capital flows will reverse, pressuring these countries.

During the quarter, Turkey took a step nearer autocracy as President Erdogan named himself head of the country's sovereign wealth fund. The central bank finally raised rates—though inflation continued to soar. In rather stark contrast, Argentina came to terms with the IMF relatively swiftly in Q2, improving the likelihood the country will begin recovering sooner than later.

At the sector level, energy was the index's top contributor on the strength of rising Brent crude prices. The newly created communication services and consumer discretionary sectors were the index's bottom contributors—the former weighed down by the combination of Tencent's heavy representation and negative quarterly returns.

Performance Discussion

Our portfolio trailed the MSCI Emerging Markets Index in Q3 and is behind YTD. Though we are always disappointed by underperformance, we were not surprised by Q3's results given our positioning—namely our exposure to some of the more embattled EM countries. In Q3 specifically, our exposure to Turkey and Argentina was a source of relative weakness.

It's worth bearing in mind that our aim is distinctly not to deliberately avoid potentially vulnerable geographies. Rather, our portfolio is constructed with an eye to long-term opportunities and what we believe to be the best representation of the full EM opportunity set. We are by no means ignoring the heightened country risk of a Turkey or an Argentina. Nor are we assuming a binary outcome—i.e., a macro outcome that is good or bad. Rather, our experience has taught us to expect there can be a range of outcomes, and we incorporate those probabilities into our estimates of upside potential. This doesn't necessarily preclude near-term pain, as we saw in some cases in Q3; but in our view, it better positions us over the long term to capture what we believe to be the best possible representation of the emerging markets opportunity set.

Against this backdrop, unsurprisingly, several of our Argentine and Turkish holdings were among our bottom individual relative contributors—namely, Argentine bank Grupo Supervielle and Turkish bank Turkiye Sinai Kalkinma Bankasi (TSKB). We believe both banks remain well-positioned relative to their domestic markets and anticipate they will recover as the macroeconomic turmoil in their respective countries subsides in coming quarters.

At the sector level, our health care holdings—especially in China—were among our bottom relative contributors, including Sino Biopharm and China Traditional Chinese Medicine. Both holdings sold off sharply, though in line with the sector, as the Chinese government announced a pilot program aimed at lowering costs through a single-payer approach. As a result, the market expects drug companies may face significant top-line pressures. However, in our view, these companies may also be able to lower their selling costs, which could mean the bottom line is less impacted than the market assumes. Long term, we remain constructive on both holdings and believe these concerns likely prove relatively short-lived.

On the positive side, we benefited in Q3 from not owning Tencent, whose shares were pressured by meaningful competitive pressure from fellow Chinese e-commerce giant Alibaba. Of our portfolio holdings, Samsung Biologics and Zhuzhou were among our top relative contributors in Q3. Shares of Samsung Biologics have bounced back following allegations of accounting fraud, levied earlier in the year. While the investigation's outcome remains unknowable, we maintain our conviction in the company's best-in-class manufacturing capabilities and its strong pipeline of marketable biosimilars. Chinese train-borne electrical systems provider Zhuzhou has been a long-term holding, and we are constructive on its positive positioning relative to ongoing infrastructure spending in China in coming quarters.

Portfolio Activity

Third-quarter volatility provided an opportunity to introduce two holdings with which we've long been familiar at what we believe are attractive valuations—Copa Holdings and Phoenix Mills. Copa Holdings is a Panamanian airline operator. We believe it is run by a capable management team and like its efficient business model, whereby it consolidates less-traveled routes and directs them through the company's Panama hub. Attractively, Copa Holdings faces relatively little competition on the majority of its routes. The stock sold off in Q3 on a combination of factors, including EM contagion concerns as well as high oil prices and weaker EM currencies, which weigh on Copa's earnings. However, we anticipate these two factors will adjust over time—either oil prices will need to adjust lower, or currencies will appreciate, normalizing Copa's backdrop. We believe the stock is attractively valued, so we capitalized on Q3 weakness to take a position in anticipation of normalizing earnings in the period ahead.

Phoenix Mills, a leading mall developer, has long been a darling of Indian markets—which has historically put it out of our range for valuation reasons. We have long believed it had sustainable earnings growth and operated a solid business model in a very compelling Indian retail market. However, given its historically high multiple, we didn't see sufficient upside to warrant an investment. Q3's volatility provided us an opportunity, however, to initiate a position at what we found a compelling valuation.

Conversely, Q3's volatility and macroeconomic backdrop led us to make some adjustments—particularly relative to our holdings in Turkey. We sold Akbank in Q3, consolidating our exposure in the aforementioned TSKB, in which we see a relatively more attractive opportunity once the current crisis subsides.

Perspective

We don't anticipate a near-term end to EM volatility. The ongoing trade war seems set to drag on for at least several more quarters—implying an accompanying adjustment period for EM, which in some specific cases may be painful. We also don't anticipate a meaningful reversal of developed-world monetary policy such that massive amounts of new liquidity flood into EM. Positively, adjustments are already underway in some pressured countries, such as Argentina, where the IMF is helping provide a floor to the currency that should allow the country to begin rebuilding from there.

While it is possible contagion takes hold and other countries face similar challenges in the coming quarters, for now, we believe an end is coming into sight for the most acute crises. Helping along this relatively rapid adjustment period (relative to historical instances of similar crises) have been free-floating exchange rates around EM, which have allowed struggling countries' currencies to rapidly reflect their new domestic reality. Though this undoubtedly causes pain for citizens of these countries—Turks have very quickly found themselves meaningfully poorer as the lira has deteriorated—these countries are simultaneously positioned thanks to their free-floating currencies to capitalize on their newfound status as relatively cheaper markets. Whether they capitalize via increased exports, tourism or something else remains to be seen—but we believe it will be important for these troubled countries to capitalize on their extremely affordable status to begin rebuilding their domestic economies.

Positively, we believe most negative expectations about EM countries are largely reflected in valuations. Further, we believe the challenging backdrop has created a positive mindset among individual companies—incentivizing them to improve their relative positioning on their own, rather than relying on a rescue from increased global liquidity, lower US rates from the Fed or other exogenous factors. Rather, they are being forced to examine what steps they can take to divest debt, reallocate capital and preserve and even enhance their profitability. Consequently, despite a cloudy macroeconomic outlet, we see some positive things happening at the stock level. Further, ROEs among many EM companies are rising, accompanied by a nice valuation gap relative to developed markets counterparts.

Regardless of the macroeconomic environment, we will continue our unique, indigenous approach to investing in emerging markets, traveling the world to meet not only with management teams for the portfolio's current investments, but also with potential candidates for future investment. We continue to find interesting companies around the globe which possess the compelling combination of unique access to emerging markets growth and sustainable competitive advantages. We will remain focused on our disciplined approach to building a portfolio with attractive upside potential that we believe is reflective of the full emerging markets opportunity set.

For more information: Visit www.artisanpartners.com

Investment Risks: 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. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request.

Unless otherwise indicated, the Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

Securities of the same issuer are aggregated to determine a holding's weight in the portfolio. Securities referenced may not represent all of the securities in the portfolio. If certain information is unavailable for a particular security Artisan Partners may use data from a related security to calculate portfolio characteristics. All information in this report is as of the date shown in the upper right hand corner unless otherwise indicated and is subject to change without notice. Totals may not sum due to rounding.

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.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

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.

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.

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.

This summary represents the views of the portfolio manager as of 30 Sep 2018. Those views and portfolio holdings are subject to change and Artisan Partners disclaims any obligation to advise investors of such changes. The discussion of portfolio holdings does not constitute a recommendation of any individual security. For a complete list of holdings by contribution to the strategy, refer to the Contributors to Return chart.

Return on Equity (ROE) is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity.

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. In no event shall Artisan Partners have any liability for direct, indirect, special, incidental, punitive, consequential (including, without limitation, lost profits) losses or any other damages resulting from the use of this material.

Artisan Partners Limited Partnership (APLP) is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Artisan Partners UK LLP (APUK) is authorised and regulated by the Financial Conduct Authority and is a registered investment adviser with the SEC. APLP and APUK are collectively, with their parent company and affiliates, referred to as Artisan Partners herein. Artisan Partners is not registered, authorised or eligible for an exemption from registration in all jurisdictions. Therefore, services described herein may not be available in certain jurisdictions. This material does not constitute an offer or solicitation where such actions are not authorised or lawful. Further limitations on the availability of products or services described herein may be imposed.

This material is only intended for investors which meet qualifications as institutional investors as defined in the applicable jurisdiction where this material is received, which includes only *Professional Clients* or *Eligible Counterparties* as defined by the UK Financial Conduct Authority where this material is issued by APUK. This material is not for use by retail investors and may not be reproduced or distributed without Artisan Partners' permission.

In the United Kingdom, issued by APUK, 25 St. James's St., Floor 3, London SW1A 1HA, registered in England and Wales (LLP#: OC351201). Registered office: Reading Bridge House, Floor 4, George St., Reading, Berkshire RG1 8LS.

Australia: This material is directed at wholesale clients only and is not intended for, or to be relied upon by, private individuals or retail investors. Artisan Partners Australia Pty Ltd is a representative of APLP (ARBN 153 777 292) and APUK (ARBN 603 522 649). APLP and APUK are respectively regulated under US and UK laws which differ from Australian laws and are exempt from the requirement to hold an Australian financial services license under the Australian Corporations Act 2001 in respect to financial services provided in Australia.

Bailiwick of Guernsey: The financial services referred to in this material and this document are not being made available in the Bailiwick of Guernsey (Guernsey) to more than 50 persons in Guernsey and the financial services may not be accepted by more than 50 persons in Guernsey.

Canada: This material is distributed in Canada by APLP and/or Artisan Partners Distributors LLC, which conduct activities in Canada under exemptions from the dealer, portfolio manager and investment fund manager registration requirements of applicable Canadian securities laws. This material does not constitute an offer of services in circumstances where such exemptions are not available. APLP advisory services are available only to investors that qualify as "permitted clients" under applicable Canadian securities laws.

For Institutional Investors Only — Not for Onward Distribution

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

10/16/2018 A18725L_vXUS

Artisan Emerging Markets Strategy

Quarterly Contribution to Return (%)

As of 30 September 2018

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Taiwan Semiconductor Manufacturing Co Ltd	5.67	1.01	6.17
Samsung Biologics Co Ltd	1.71	0.47	2.07
Reliance Industries Ltd	2.58	0.44	2.69
Zhuzhou CRRC Times Electric Co Ltd	2.30	0.36	2.42
Vale SA	1.73	0.32	1.90
Sinopharm Group Co Ltd	1.55	0.31	1.70
LUKOIL PJSC	1.89	0.28	2.13
China Petroleum & Chemical Corp	1.75	0.24	1.88
Petroleo Brasileiro SA	0.99	0.17	1.08
Kia Motors Corp	0.80	0.13	1.02
Global Ports Holding PLC	1.43	0.12	1.49
MMC Norilsk Nickel PJSC	1.24	0.09	1.28
Itau Unibanco Holding SA	1.48	0.09	1.47
LG Chem Ltd	1.05	0.09	1.10
Bangkok Bank PCL	0.78	0.08	0.83
Shinhan Financial Group Co Ltd	1.12	0.08	1.45
Moneta Money Bank AS	0.97	0.08	1.02
Cemex SAB de CV	1.05	0.07	1.06
Astra International Tbk PT	0.97	0.06	1.00
ICICI Bank Ltd	1.70	0.05	1.66
Bank Rakyat Indonesia Persero Tbk PT	0.95	0.05	0.95
AIA Group Ltd	1.54	0.04	1.63
FirstRand Ltd	1.03	0.04	1.04
Samsung Electronics Co Ltd	6.54	0.04	6.64
MercadoLibre Inc	0.28	0.03	0.29
Ajisen China Holdings Ltd	0.09	0.03	0.00
Sunny Friend Environmental Technology Co Ltd	1.79	0.03	1.75
Emaar Development PJSC	0.91	0.03	0.92
Havells India Ltd	0.87	0.02	0.78
AirAsia Group Bhd	0.71	0.01	0.69
The Foschini Group Ltd	1.33	0.00	1.35
Cash Holdings	2.31	0.00	2.68
China High Precision Automation Group Ltd	0.00	0.00	0.00
Credicorp Ltd	0.97	-0.00	0.96
Vietnam Technological & Commercial Joint Stock Bank	0.44	-0.02	0.52
Digital China Holdings Ltd	0.95	-0.02	1.07
KB Financial Group Inc	0.50	-0.03	0.00
Westlife Development Ltd	0.82	-0.03	0.74
Indofood CBP Sukses Makmur Tbk PT	0.91	-0.04	0.90

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Sino Biopharmaceutical Ltd	2.23	-1.06	1.90
Alibaba Group Holding Ltd	5.99	-0.67	5.64
Naspers Ltd	2.82	-0.41	2.61
China Traditional Chinese Medicine Holdings Co Ltd	1.42	-0.33	1.29
Noah Holdings Ltd	1.53	-0.30	1.68
Grupo Supervielle SA	0.99	-0.28	0.79
Ctrip.com International Ltd	1.02	-0.25	0.94
Kajaria Ceramics Ltd	0.61	-0.25	0.67
Akbank TAS	0.27	-0.24	0.00
Turkiye Sinai Kalkinma Bankasi AS	0.78	-0.24	0.91
Alpha Bank AE	0.56	-0.23	0.42
Sinotrans Ltd	0.57	-0.23	0.00
MediaTek Inc	1.26	-0.22	1.22
Medy-Tox Inc	1.17	-0.20	1.32
Sberbank of Russia PJSC	1.93	-0.18	2.09
iQIYI Inc	1.06	-0.18	0.97
China Life Insurance Co Ltd	1.25	-0.16	1.20
PLAY Communications SA	0.53	-0.12	0.51
JUMBO SA	1.17	-0.12	1.14
Linx SA	0.91	-0.11	0.85
SACI Falabella	1.04	-0.11	0.98
Georgia Healthcare Group PLC	0.72	-0.10	0.64
Grana y Montero SAA	0.73	-0.09	0.57
Copa Holdings SA	0.50	-0.09	0.55
Godrej Consumer Products Ltd	0.88	-0.09	0.75
Hanssem Co Ltd	0.27	-0.08	0.00
Baidu Inc	2.06	-0.08	2.02
Pampa Energia SA	0.68	-0.08	0.60
Ecobank Transnational Inc	0.43	-0.08	0.45
E Ink Holdings Inc	1.61	-0.08	1.44
Yandex NV	0.83	-0.06	0.81
Empresa Nacional de Telecomunicaciones SA	0.80	-0.06	0.91
Polyus PJSC	1.25	-0.06	1.23
Telekomunikasi Indonesia Persero Tbk PT	0.95	-0.05	0.94
Banco Davivienda SA	0.76	-0.05	0.74
NAVER Corp	0.87	-0.05	0.85
CVC Brasil Operadora e Agencia de Viagens SA	0.57	-0.05	0.56
Cia Energetica de Minas Gerais	0.78	-0.05	0.72
Anima Holding SA	0.35	-0.05	0.33
The Phoenix Mills Ltd	0.18	-0.04	0.44

Source: Artisan Partners/FactSet. **Performance is historical and is not a reliable indicator of future results.** As of 30 Sep 2018. These investments made the greatest contribution to, or detracted most from, performance during the period based on a representative account within the strategy Composite. Upon request, Artisan will provide: (i) the calculation methodology and/or (ii) a list showing the contribution of each holding to overall performance during the measurement period. Securities of the same issuer are aggregated to determine the weight in the portfolio. % Contribution to Return is calculated by FactSet by multiplying a security's weight in the portfolio by its in portfolio return for the period referenced and does not take into account expenses of the portfolio. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio.