ARTISAN PARTNERS SUSTAINABLE EMERGING MARKETS TEAM

Annual **Sustainable Investing** Report 2023

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

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.

COMMITMENT TO **SUSTAINABILITY**

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March 2024

Maria Negrete-Gruson, CFA
Portfolio Manager

32 Years Investment Experience

2023 was an eventful year for emerging markets (EM) and the world in general. We started the year with one war and finished the year with two, leaving a profound impact on human lives—a reality we acknowledge with sadness. The resolution of these conflicts will be critical for the future of EM and the world, and it should remain a priority for leaders around the globe.

The world also grappled with soaring inflation, which posed a challenge for central banks striving to tame it. EM is particularly sensitive to inflation, which has proven significantly destructive to the lower- and middle-income people of these countries. Fortunately, EM central banks were exemplarily decisive in implementing monetary policy measures, effectively curbing inflation, strengthening local currencies and attracting investment to keep economies afloat.

China faced its unique set of challenges. Despite a promising beginning to the year, fueled by the long-awaited post-COVID-19 reopening, enthusiasm swiftly dissipated as political challenges weighed on the economy. On the bright side, China's slowdown prompted a reshaping of global value chains, which opened trade opportunities for other emerging markets.

While 2023 presented challenges, central banks' proactive measures and shifts in global business dynamics demonstrated resilience and adaptation in the face of difficulties. The Artisan Partners Sustainable Emerging Markets Team remains optimistic about and firmly committed to finding long-term investment opportunities in EM. Our decades of experience have equipped us to navigate through volatile periods like this while staying true to our investment process and sustainability principles.

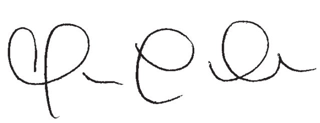
In times of volatility, being close to our portfolio companies is of utmost importance. Throughout 2023, we traveled the globe to engage with management teams and other key stakeholders. These interactions not only provided firsthand updates on businesses but, more significantly, also fostered meaningful two-way discussions about sustainability risks and opportunities in the context of EM.

Drawing on our years of EM investment experience, we recognize companies benefit more from thoughtful interactions with shareholders than from investor activism. Without the context and insights gained from live engagements, static data points, such as ESG scores, can be misleading. This year's report highlights some of our recent interactions with company executives to underscore our approach and commitment to advancing sustainability across our portfolio holdings.

Lastly, many investors have adopted industry and geographic exclusions when it comes to sustainable investing in EM, a practice we consider misguided. A key characteristic of the EM asset class is its diverse exposure to countries and companies at different development stages. From our perspective, the most significant positive impact on both society and the environment arises from advocating for enhanced sustainability practices at companies often excluded from the sustainable investing universe. Our goal is to actively engage with these companies rather than abandon them, recognizing the potential for meaningful transformation through constructive dialogue.

2024 will bring exciting opportunities for sustainable investing in EM. We are confident that our robust investment process, combined with our commitment to active engagement, will allow us to identify companies leading the way toward a more sustainable future for EM. We invite you to join us on this journey and to participate in the positive transformation of these dynamic economies.

I appreciate your confidence and support.



Maria Negrete-Gruson

OUR TEAM

Each member of the Artisan Partners Sustainable Emerging Markets Team truly understands EM countries after growing up, studying, working and/or spending a significant amount of time in EM. Collectively, we have witnessed EM's evolution first-hand—better living standards, accelerating technological development, greater environmental awareness and improving corporate governance. Our personal connections to EM also drive our passion for investing in companies making positive progress and working to improve conditions in EM as good corporate citizens and good business operators.

The team's core has been investing together in EM since 1999—Maria and analysts Meagan Nace and Chen Gu formed an investment team in the aftermath of the late-1990s Asian financial crisis. The decisions that triggered the crisis and the subsequent financial market and government responses also shaped our philosophy and process. We identify companies with sustainable competitive advantages and unique access to growth through a combination of financial and strategic analysis, on-the-ground research, ESG considerations, country risk analysis and our local understanding of EM.

Over time, the team has grown. Analyst Gurpreet Pal joined Artisan Partners in 2011; Nicolas Rodriguez-Brizuela and Jessica Lin joined the firm in 2014; and Javier Cervantes joined the team in 2023.

The keys to successful active management in EM are insight and good judgment. Our backgrounds and experience foster a valuable combination of cultural and cognitive diversity that constantly enhances our analysis. And we believe our differentiated approach to researching companies and views on sustainable investing are important advantages.

NAVIGATING CHANGE

We've invested through multiple business cycles and witnessed many major economic and political events. Our experience gives us the confidence to remain focused during adverse periods. At the same time, we've expanded our investment team, enhanced our sustainability assessment and taken lessons from market turbulence to refine our country risk analysis.

Team and Process Development

TEAM

1999
Maria and analysts Meagan Nace and Chen Gu form emerging markets investment team

2006
Investment team joins Artisan Partners

2011
Gurpreet Pal joins team

2014
Nicolas Rodriguez-Brizuela and Jessica Lin join team

2023
Javier Cervantes joins team

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PROCESS

1999
Create country risk assessment

2005
Expand country risk assessment

2014
Formalize sustainability assessment (third-party ESG scores and analyst driven governance scores) and customize country risk assessment's economic indicators for each country

2019
Switch from third-party ESG scores to incident trend analysis based on RepRisk sourced data

2018
Add economic indicators to country risk assessment

2020
Adopt SICS sector/industry classifications & enhance ESG assessment with industry-based factors based on SICS classifications

2023
Comprehensive review of the ESG assessment indicators resulting in improved precision and scope

ESG

1999
MSCI begins rating companies based on industry material ESG risks

2000
United National Global Compact launched

2006
United Nations launches Principles for Responsible Investment (PRI)

2011
The Sustainability Accounting Standards Board (SASB) is launched

2013
India introduces statutory corporate social responsibility

2015
Sustainable development goals created & Paris Agreement—international treaty on climate change

2023
Implement a new meeting notes system seamlessly integrated with our ESG assessment to foster engagement

The information we gather from our travels and engagements further informs the empirical component of our sustainability assessments.

AN EMERGING MARKETS VIEW OF SUSTAINABILITY

OUR CORE BELIEFS:

- Emerging markets will provide growth in excess of developed markets over the long term
- Sustainable practices allow a company to withstand the fragility and resulting volatility of emerging markets

WE SEEK COMPANIES POSSESSING:

- Unique access to sustainable growth
- Sustainable competitive advantages
- An ability to endure boom-bust cycles while acting responsibly towards their stakeholders

OUR DIFFERENTIATED APPROACH TO SUSTAINABILITY:

- Identify companies with business models committed to profits and progress that can generate sustainable earnings
- Go beyond simplified ESG scores by proactively engaging and assessing a company's ability and commitment to positively impact shareholders, employees, customers and communities
- Acknowledge the realities of emerging markets and reward improvement in corporate practices
- Reject negative screens and developed market biases, which overlook positive change

SUSTAINABILITY—DIFFERENTIATED AND INTEGRATED

The team utilizes a sustainability assessment that emphasizes momentum—the direction and degree of a company's past ESG-related actions, its current activities and policies, as well as goals and resources in place for further ESG progress.

Our assessment provides a comprehensive ESG score which can have a direct impact on a company's target price, as determined by an analyst.

The sustainability assessment has two components: empirical and incident.

Empirical: Comprising our long-term coverage of companies, industries and countries. Interviews, site visits, company filings and independent ESG sources inform our opinion of a company's ESG efforts. The assessment is forward-looking and experiential.

Incident-Based: A multi-year trend analysis utilizing data from RepRisk, a leader in ESG data science and research. The incident data is compiled from various media sources and non-governmental organizations. It includes frequency and severity of ESG transgressions based on the 17 Sustainable Development Goals (SDGs). Trend analysis allows us to generate more precise measures of individual company risks. Additionally, we can assess positive change over time as a company shifts its policies to better align with stakeholders' interests.

The combination of incident-based and empirical analysis is more dynamic and rigorous than third-party reports relying on company-provided information or policies.

For each ESG factor, the empirical and incident-based scores are combined to provide a factor score. The three factor scores are then integrated into an overall ESG score which can directly impact the analyst's valuation for each company. The target price is increased for a company with a high overall ESG score (4 or 5). The target price remains unchanged for a company with an average overall score (3). The target price is reduced if a company has a weak overall ESG score (1 or 2). Target price adjustments are not symmetric; premiums applied to exemplary companies are not as significant as discounts applied to companies with poor sustainability risk profiles.

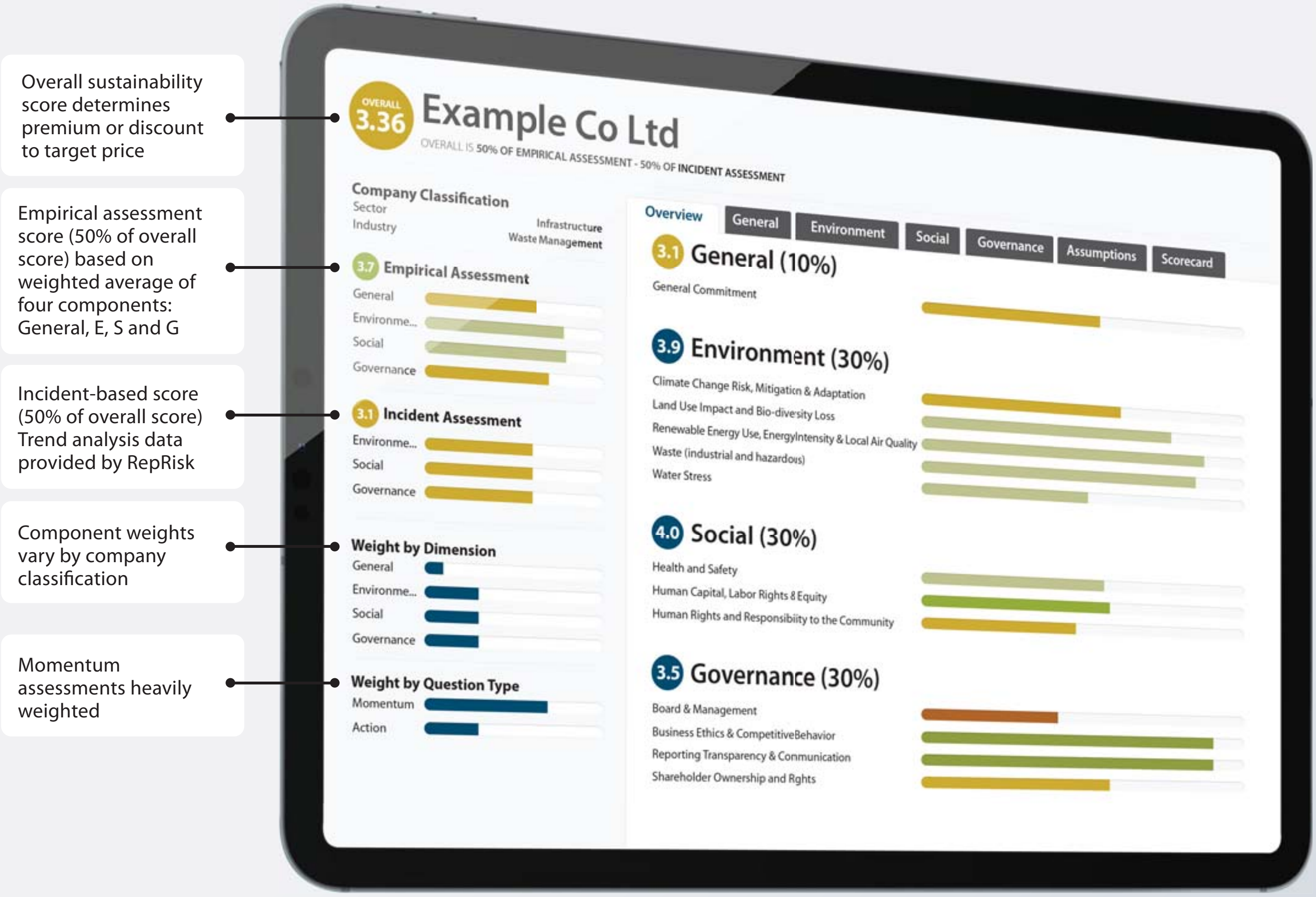
Overall Assessment Score:	1	2	3	4	5
Target Price Adjustment:	-40%	-20%	—	+10%	+20%
	REDUCE		NEUTRAL	INCREASE	

For illustrative purposes only. The information contained herein represents a simplified presentation of a complex process. The investment process is subject to change.

The process allows an analyst to reflect the ESG-related risk in each company in a pragmatic and dynamic manner. A focus on momentum also offers the potential advantage of finding a suitable investment opportunity earlier in a company's transformation.

The team conducts this price-adjustment analysis in lieu of using negative ESG screens. The team believes excluding a company simply because it operates in an industry considered to be ESG unfriendly or it appears unattractive based on a static snapshot of ESG metrics can lead to biases and blind spots. Instead, the team cares about how a company's management acknowledges and addresses the ESG risks it faces and how a company improves these exposures over time.

Sustainability assessments are performed for many, but not all companies considered by the team, and may be revised from time to time.



EVOLUTION AND ENHANCEMENT

While we have maintained our core beliefs, philosophy and process, we embrace the reality that success over time requires evolution and improvement. The sustainability assessment was part of the investment process at inception, but it has undergone meaningful changes over time. As the quantity and quality of ESG information has improved for EM, so has the team's ability to assess information and use it to make target price adjustments.

More recent sustainability assessment changes include:

- In 2014, the team formalized a sustainability scoring process, comprising qualitative and quantitative components. The qualitative component included eight governance items scored by analysts. The quantitative component used monthly ESG reports and scores from a third-party provider.
- In 2019, the team transitioned from third-party ESG reports and scores to trend analysis based on RepRisk's incident-based data—frequency and severity of ESG transgressions based on SDGs.
- In 2020, the team made its empirical component more comprehensive and uniform. The forward-looking empirical component relies on analyst interviews and site visits, company filings and other independent ESG sources.

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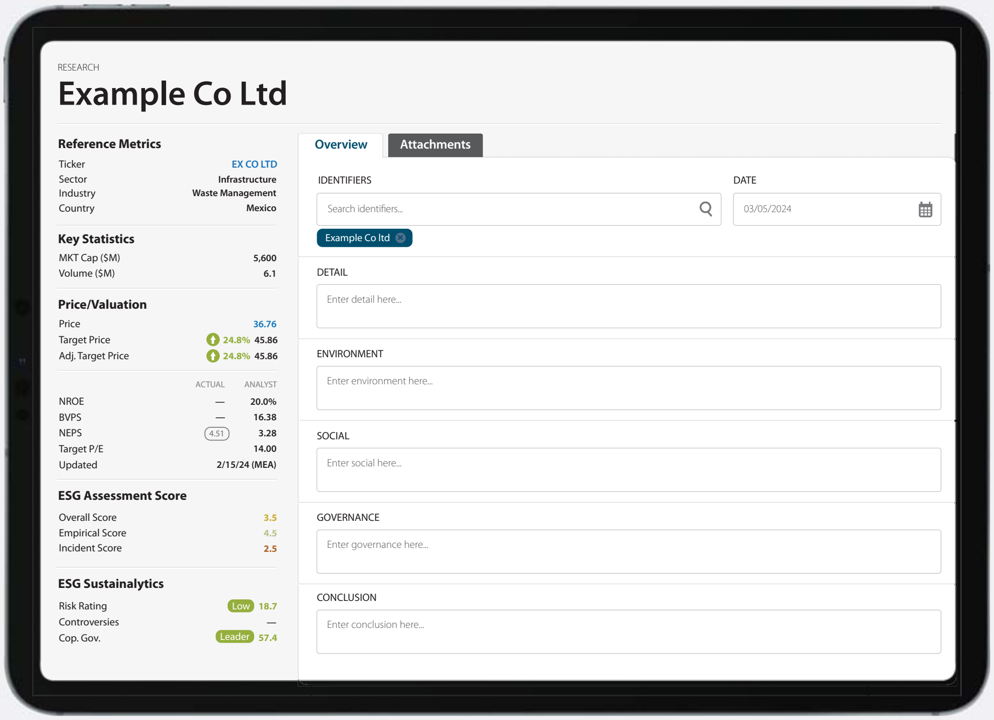
- In 2020, the team adopted SICS sectors and industries. Company classifications based on sustainability-related risks and opportunities are more in line with the team's view of the investment universe and company analysis.
- In 2023, the team conducted a thorough review of the empirical assessment component. This involved analyzing both internal and client feedback and conducting a detailed analysis of methodologies employed by ESG ratings providers and industry peers. The resulting update enhanced the precision and scope of the assessment's indicators and confirmed our unique emphasis on trend analysis, engagement and emerging market contextualization.
- In 2023, the team designed a new note-taking interface seamlessly integrated with the sustainability assessment. The new interface allows analysts to easily access empirical and incident-based information during meetings, fostering real-time engagement on sustainability topics.

Updates have also been made to the team's country risk analysis. EM countries are in different stages of economic, social and political development, which have important implications for each company's fundamentals. Since 2014, the team has expanded the range of possible macroeconomic factors, enhanced the process to determine each country's most significant factors, implemented monthly updates and increased the maximum number of factors per country. As a result, the team's risk model is more dynamic and relevant to each country.

Our new note-taking interface seamlessly integrates with our ESG assessment to foster engagement.



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QUESTIONS AND ANSWERS

Sustainable Investing comes in many forms, and we have fielded questions about our unique view of sustainability, all of which we address here.

We take an optimistic and realistic approach to sustainability in emerging markets (EM). We have seen first-hand how the people of EM are frequently most negatively impacted by environmental, social and governance (ESG) failures. As a result, EM companies are often intrinsically motivated to solve sustainability challenges. We have watched many EM companies overcome these obstacles through innovation, and we are optimistic that countless others will do the same. That opportunity for improvement—and subsequent investment upside—is one of the main reasons we are passionate about EM investing.

That said, our personal experience in EM also encourages us to take a realistic approach to sustainable investing in EM. We do not believe in evaluating EM companies based on developed markets standards. Instead, we employ a rigorous, bottom-up investment style aimed at identifying companies capable of creating long-term shareholder value while also making positive change that goes beyond ESG.

WHY DON'T WE USE EXCLUSIONS?

Many investment managers exclude, or screen out, potential investments simply based on the nature of their industry or their country of domicile, whereas we believe in the merit of evaluating every single company from the bottom up. We take care not to exclude individual companies that are demonstrating marked improvement in terms of sustainability simply due to the reputation of their industry or the failures of their country's government. In our experience, unexpected leaders in ESG can emerge from any area of EM.

We also focus on identifying companies that are trending in the right direction in terms of ESG—showing evidence of improvement and positive momentum—rather than excluding companies based on where they are today or mistakes they have made in the past. We acknowledge that most EM companies have an imperfect track record in terms of ESG, but our process, which includes both incident-based data and forward-looking analysis, allows us to partner with EM companies to effect positive change in terms of sustainability. We refer to this as integration rather than exclusion.

We also oppose exclusions based on their unintended consequences. If investors shun certain EM companies based on their industry, country or history of ESG infractions, for example, these companies may eventually lack the public funding they need to survive. As a result, they may become private companies or state-owned entities. At that point, the public no longer has access to company data nor the opportunity to engage with company management, which ultimately makes unsustainable behavior easier for those companies to execute—the exact opposite of what those exclusions intended to accomplish and another reason we use bottom-up analysis rather than negative screens to help us identify companies that are often imperfect but improving in terms of sustainability.

WHY DON'T WE PLACE MORE EMPHASIS ON TARGETS?

In our view, many targets center on metrics that are not realistically quantifiable for many EM companies. And even when the metrics are quantifiable, the related targets can be unrealistic for EM companies to achieve with existing technologies. Unlike well-established companies in developed markets, many EM companies do not have the resources to accurately measure their emissions, for example. As a result, they are expected to hire a third-party consultant to measure their emissions, which can be cost prohibitive for smaller EM companies. In that situation, we would rather see the EM company set a reasonably attainable target, articulate a plan for achieving that target and then make measurable progress toward its goal.

HOW CAN WE CALL OURSELVES ESG INVESTORS WHEN WE DON'T BEHAVE LIKE ACTIVISTS?

Simply stated, we believe activism typically does not work in emerging markets. Many EM countries view activism as confrontational, so it commonly backfires. Instead, we have found engagement to be much more effective. Our engagement approach includes meeting with company management to influence positive change. When it comes to sustainability, we share our experience, explain our process and highlight best practices with management to encourage their progress.

Additionally, we understand that EM companies can commit ESG infractions without intent to harm or defraud. Sometimes they do not even realize their actions are considered infractions. In those cases, we have found engagement, not activism, to be most effective. Through open dialogue, we can help company management better understand the issue and how it is viewed by investors, and we can help the company move forward in a more sustainable fashion.

WHY DON'T WE AIM TO HAVE A PORTFOLIO WITH A CERTAIN ESG SCORE?

Our aim is not to create an idyllic portfolio full of ESG leaders. Rather, we believe the true upside in EM—for both investors and society—lays within companies that have the potential for progress in terms of both profits and sustainability. Those companies tend to have lower sustainability scores—and subsequently lower valuations—than their ESG-leading counterparts. Rather than investing in ESG-leading companies whose share prices already reflect their ESG leadership, we tend to invest in companies that have demonstrable improvement in terms of sustainability and earnings. We invest in those companies and then engage with company management to encourage and monitor their progress. Ideally, that progress is then realized through both improved outcomes for society and attractive returns for investors.

ESG is a critical part of our investment due diligence, but it is just one of several ways in which we evaluate investment opportunities from the bottom up. We aim to invest in companies that are demonstrating progress in terms of sustainability, regardless of their industry or country and in spite of past missteps. We then engage with company management to educate them on our investment process, to share best practices and to motivate them to achieve both progress and profits. Our forward-looking methodology is meant to help achieve positive results for both our investors and the people of EM.

WHAT ARE THE CHALLENGES OF TRYING TO SIMPLIFY ESG INTO A SINGLE SCORE?

Understanding a company's true commitment to sustainability requires granularity and direct engagement. While it may be tempting to accept third-party providers' ESG scores at face value, numbers without context can be misleading.

ESG encompasses an array of environmental, social, and governance factors, with each holding varying relevance depending on a company's industry and geographic location. Determining the relative importance of different ESG factors is inherently subjective. Additionally, ESG data lack standardization, particularly in the diverse EM landscape, making comparisons between companies difficult. Single scores can also mask important trade-offs within a company's ESG performance. For example, a company with high emissions might also be investing heavily in renewable energy, but a single score wouldn't capture this nuance.

Companies, at times, might attempt to game the system by focusing on improving factors that most affect their score while neglecting other important ESG aspects. The responsibility lies with investors to engage in direct communication with companies. Doing so enables a deeper understanding of a company's goals, actions, and progress that can facilitate collaboration on improvements.

WHY IS THERE NO ESG OFFICER INCLUDED AS PART OF YOUR TEAM?

We have made a deliberate strategic choice rooted in our belief that analysts should be directly engaged in the ESG assessment process. We trust in our analysts' capacity to develop deep expertise in specific ESG factors relevant to their geographic or sector coverage. Analysts assessing companies they already cover facilitate more effective ESG risk evaluations. We believe the separation of ESG analysis from the investment team can be counterproductive by creating blind spots and limiting a holistic assessment of a company's risk exposure.

We emphasize the value of experience as the best form of ESG training, particularly in EM where conditions are more opaque and volatile. Understanding the unique environmental and social factors in these markets requires a specific perspective and adaptability to constant change. The team's analysts actively participate in conferences, panel discussions and other events which contribute to the ongoing development of their ESG expertise.

Auditing the team's sustainability process enhances its reliability. Each year, our team welcomes graduate students who have demonstrated a passion for sustainability to join our internship program. These young professionals bring a fresh academic perspective to our team, ensuring that our methodology stays current and relevant.

Our sustainability analysis incorporates **SDGs** in both the empirical and incident assessments.

For more information on Sustainable Development Goals, visit
https://www.un.org/sustainabledevelopment

Sustainable Development Goals

Given our local perspectives and investment experiences, we appreciate the potential impact of SDGs. Many EM companies are understandably on board; an MSCI survey shows more EM companies state they are "strongly aligned" or "aligned" with SDGs than North American counterparts. The 17 goals are particularly relevant to some of the largest sustainability challenges EM populations are tackling: poverty, inequality, lack of economic opportunity, access to resources and unhealthy environmental conditions.

Our sustainability analysis incorporates SDGs in both the empirical and incident-based assessments.

- Consideration of SDGs are inherent in the empirical assessment. Our analyst-driven empirical assessment goes beyond standard ESG performance metrics and company claims. Empirical assessments focus on action and momentum; analysts can capture one-off actions and anecdotal information from all stakeholders as it relates to a company's sustainability efforts and underlying SDGs.
- Within our incident-based assessment, RepRisk uses SDGs as part of its rules-based methodology to help determine and classify risk incidents.

Ultimately, we invest in EM because we want to direct capital to companies that can have a long-term positive and sustainable impact on EM populations.

The differences between SICS and the widely used MSCI GICS system are discernible and valuable.

SICS: ALIGNING ANALYSIS WITH ESG REALITIES

In order to complete a rigorous sustainability assessment, we need to understand the most relevant ESG considerations for a company and the industry in which it operates.

To help us better view the investment universe through a sustainability lens, the team adopted an industry classification system created by the Sustainability Accounting Standards Board (SASB). Classification systems typically group companies by line of business, economic activity or revenue source. But SASB's classification system groups by similar business models, resource intensity and sustainability impacts. And nearly all of the industry-specific topics included in SASB's sustainability accounting standards can be linked to SDGs.

GICS Sectors	**SICS** Sectors
Communication Services	Consumer Goods
Consumer Discretionary	Extractives & Minerals Processing
Consumer Staples	Financials
Energy	Food & Beverage
Financials	Health Care
Health Care	Infrastructure
Industrials	Renewable Resources & Alternative Energy
Information Technology	Resource Transformation
Materials	Services
Real Estate	Technology & Communications
Utilities	Transportation

The differences between SICS and the widely used MSCI Global Industry Classification Standard (GICS) system are discernible and valuable. Both systems have 11 sectors divided into industries—74 within GICS and 77 in SICS. Considerable overlap occurs in areas such as financials and health care. However, bigger differences emerge in areas where sustainability issues can diverge across and within business line definitions, such as extractives, materials, industrials, utilities and technology.

EXAMPLE: Commercial services and supplies is a GICS-defined industry within the industrials sector. In terms of ESG, commercial services companies can be rather varied, which has implications for which environmental and social factors are particularly relevant.

GPS and Frontken Corp Bhs are considered similar enough by MSCI to be grouped into the same GICS industry. But viewed through an ESG lens, we believe the SICS classification captures some important distinctions. Besides the more obvious differences in what these companies provide, clear differences exist in the potential environmental and social impacts of each company's operations. For GPS, environmental and social areas of focus include product sustainability and data privacy, while Frontken's areas of focus include land use impact, climate change risk and health and safety. We also consider human capital, labor rights and equity to be important for both companies.

GICS Industry	Companies in Same **GICS Industry**	Are in Different **SICS Industries**
Commercial Services & Supplies	**GPS Participacoes**—Brazil's largest outsourcing provider	Professional & Commercial Services
	Frontken Corp Bhs—a Malaysian advanced precision cleaning and maintenance service provider for the semiconductors and oil and gas industries	Engineering & Construction Services
Broadline Retail	**MercadoLibre**—the leading e-commerce platform in Latin America	E-Commerce
	Prosus—one of the largest technology investors in the world with a portfolio of best-in-class EM e-commerce, food delivery and payments companies	Internet Media & Services
Entertainment	**Sea Ltd.**—Singapore-based Internet company	Software & IT Services
	HYBE—a Korean music-based entertainment company	Media & Entertainment

Given SICS' emphasis on grouping companies by their sustainability-related risks and opportunities, we believe it is an elegant tool to help make our sustainability analysis process more effective. We have reviewed the 77 SICS industries and determined environmental and social factors that are particularly relevant to each industry (the same governance factors are used in every analysis). Aligning environmental and social factors at the SICS industry level enables us to tailor the analysis in a systematic way.

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CASE STUDY: **Gentera**

Empowering communities for sustainable growth

Large segments of EM populations still face heightened vulnerability to pervasive social challenges, including poverty and a lack of social and financial inclusion. In response, EM communities come together, forming organizations that often transform into businesses with deeply interwoven social purposes. One noteworthy example is Mexico-based Gentera, established in 1990 as an NGO with the purpose of extending financial services to women situated at the low end of the socioeconomic spectrum. Gentera has evolved into Mexico's largest microfinance company, boasting a credit portfolio exceeding $3 billion while empowering millions of middle- and low-income women through basic financial services such as credit, savings and insurance.

BACKGROUND: Gentera's flagship product is a group loan tailored to the middle- and low-income classes, specifically designed for women microentrepreneurs. Women engaged in ventures such as selling handcrafted items, produce or clothing find group loans instrumental for expanding their businesses, repairing homes or addressing various personal needs. These women form collectives and can secure a group loan facilitated by a community representative of Gentera.

The foundation of trust within these community circles contributes to remarkably low rate of non-performing loans. In instances where a woman faces difficulty making a payment, others in the collective often pay on her behalf. This community-driven approach has demonstrated remarkable effectiveness in risk management, even during economic downturns.

Currently serving over 3 million customers, Gentera holds a pivotal role in the economic well-being of communities across Mexico and is replicating its business model in other countries such as Peru.

FINANCIAL INCLUSION: The onset of the COVID-19 pandemic accelerated Gentera's digital transformation. This shift proved to be transformative for its business model, enabling Gentera to reach a broader customer base and operate with greater efficiency. In 2022, Gentera disbursed a record nearly $9 billion in loans in Mexico and Peru, reaching a client base of over 3 million customers, 88% of which were women.

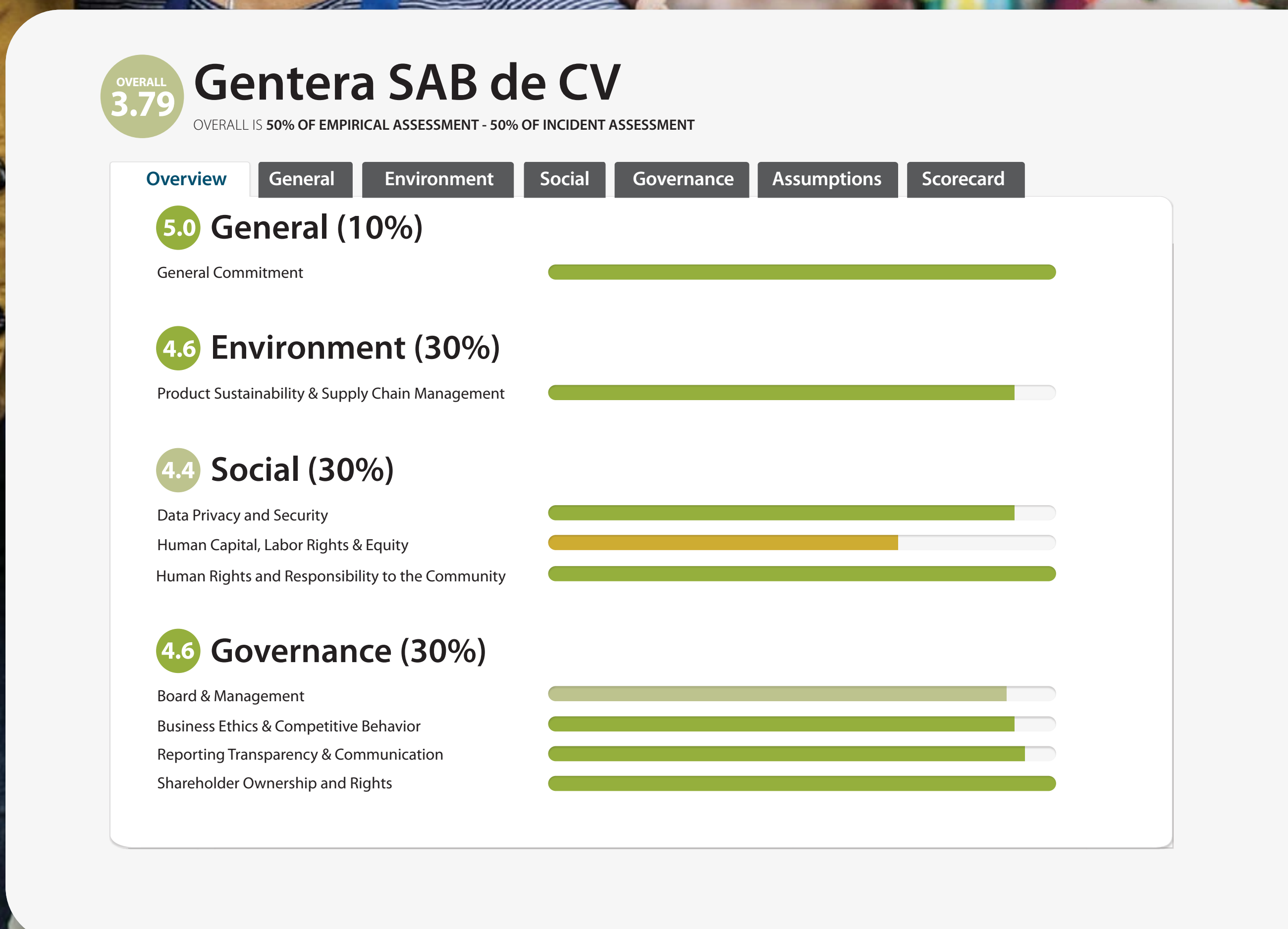
Founded with the aim of enhancing financial and social inclusion, Gentera has deeply woven this goal into its business model. To ensure its commitment to maximum impact, in 2022 Gentera has set forth two primary objectives by 2025: financially empower 5 million women through credit access and disburse 10 million loans of less than $500, targeting credit penetration to the most economically vulnerable segment of the population. By focusing on populations overlooked by traditional banking institutions, Gentera plays a pivotal role in empowering communities with limited opportunities to enhance their living standards.

EDUCATION: Embracing a comprehensive approach, Gentera goes beyond financial services to offer financial education, amplifying its social impact on clients. In 2022, financial education initiatives reached over 6,000 clients, with plans underway to formalize this program. Upcoming modules will be crafted to assist microentrepreneurs in managing their finances and fostering the growth of their businesses.

Under the Mujeres Imparables (Unstoppable Women) program, Gentera provides microentrepreneurs with training in marketing, administration and finance to help empower them to expand their businesses. Complementing this initiative is the ¡Dale pa' lante! (Go Forward!) program focused on digital marketing training. This program also incorporates a seed capital contest that allows clients to access additional capital for their micro businesses, thereby facilitating their entrepreneurial journey.

COMMUNITY ENGAGEMENT: Dedicated to fostering a positive social impact in the communities it serves, the company allocates up to 2% of its net profits to a social responsibility fund. This fund finances numerous projects annually, benefiting hundreds of thousands of people. The programs address diverse causes, including scholarships for low-income families and children with special needs, early childhood support, reforestation, healthcare, and assistance during natural disasters. By actively supporting local communities and nurturing close relationships, the company cultivates trust, which is a cornerstone for sustained business growth and, more importantly, ongoing support for the middle- and low-income population.

The security examples listed are not representative of the entire portfolio and are subject to change without notice. Security examples are based on holdings within a representative account managed in the Artisan Sustainable Emerging Markets Composite and individual client accounts may vary.



Sustainability example is for illustrative purposes only and is subject to change without notice. The Sustainability Assessment score ranks each company on a scale of 1 (lowest) to 5 (highest) based on the investment team's proprietary assessment of the company's quality of corporate governance practices. Each score corresponds with a multiplier that applies a discounted (for scores less than 3), premium (for scores higher than 3) or neutral (score of 3) adjustment to the investment team's target price within the team's valuation analysis for each company.

CASE STUDY: Mytilineos

The sustainable transformation of an industrial conglomerate

The dynamism inherent in EM companies serves as a driving force behind our enthusiasm for investing. EM companies showcase an exceptional ability to adapt and reshape themselves in response to evolving market dynamics, often by venturing into entirely new business segments. A noteworthy example is Mytilineos, a more than century-old Greek company that began as a family-owned metallurgy business. Mytilineos transformed into Europe's largest fully integrated aluminum producer, and more recently, it has been championing renewable energy generation.

BACKGROUND: In the metallurgy business, Mytilineos has built a significant competitive edge due to its size and unique access to raw materials. Moreover, the company has identified sustainability-focused opportunities to further strengthen its position.

Drawing on its expertise in engineering and procurement, initially developed in the aluminum production of solar power components, Mytilineos ventured into its own renewable energy business. Today, Mytilineos stands as the largest private electricity producer in Greece and is involved in the development of wind and solar projects globally. Recognizing the importance of a circular economy, Mytilineos has also delved into aluminum recycling. This move not only reduces waste but also trims the company's cost structure, showcasing its commitment to financial efficiency through sustainable practices.

Mytilineos is aiming to reduce its carbon emissions by 30% by 2030, compared to 2019 levels.

RENEWABLE ENERGY: Mytilineos is determined to contribute to Europe's clean energy transition while working to minimize its carbon footprint. By 2030, the company is aiming to reduce its carbon emissions by 30% compared to 2019 levels, and it has a net-zero emissions target of 2050. To meet these targets, Mytilineos has implemented a strategic plan with short- and long-term initiatives.

To achieve its 2030 goal, the focus is on increasing renewable energy generation capacity and improving process circularity by using more recycled inputs and reducing scrap. To attain net-zero emissions, Mytilineos is directing funds toward R&D for both green hydrogen production and carbon capture and storage technologies.

Mytilineos has a renewable energy generation capacity of 256 MW, preventing nearly 235,591 metric tons of CO_2 emissions in 2022. The company has also positioned itself as a global leader in developing photovoltaic and energy storage projects for both the private and public sectors. Mytilineos has been instrumental in bringing about 2.6 GW of mature and operational photovoltaic projects, with an additional 4.1 GW in the early stages of development.

RESIDUE MANAGEMENT AND CIRCULARITY: Improving the sustainability of its longstanding metallurgy business is another focus. Extracting alumina from bauxite for aluminum production generates highly toxic residue, and Mytilineos has been proactively addressing this issue. The company is actively engaged in over 20 collaborative research projects, several of which center around developing technologies to minimize and utilize bauxite residues.

Furthermore, Mytilineos is committed to enhancing the circularity of its industrial process by expanding the production of secondary aluminum. This involves recycling and reprocessing aluminum for further use. The current production capacity of secondary aluminum stands at 65,000 metric tons per year, with the goal to more than double this capacity in the coming years. Processing secondary aluminum reduces toxic waste, minimizes scrap, enhances production economics, and decreases overall carbon intensity in the company's operation.

The security examples listed are not representative of the entire portfolio and are subject to change without notice. Security examples are based on holdings within a representative account managed in the Artisan Sustainable Emerging Markets Composite and individual client accounts may vary.

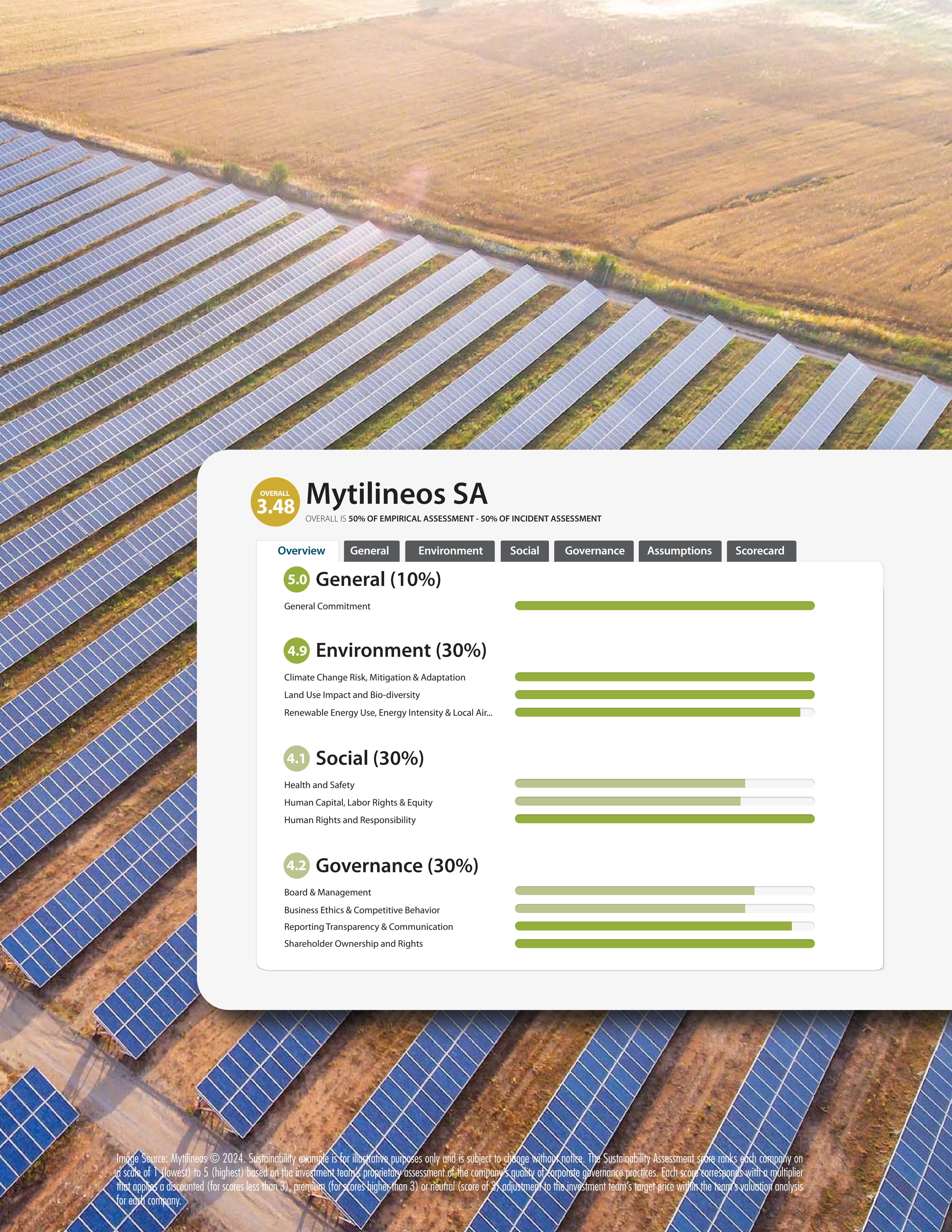


Image Source: Mytilineos © 2024. Sustainability example is for illustrative purposes only and is subject to change without notice. The Sustainability Assessment score ranks each company on a scale of 1 (lowest) to 5 (highest) based on the investment team's proprietary assessment of the company's quality of corporate governance practices. Each score corresponds with a multiplier that applies a discounted (for scores less than 3), premium (for scores higher than 3) or neutral (score of 3) adjustment to the investment team's target price within the team's valuation analysis for each company.

ENGAGEMENT

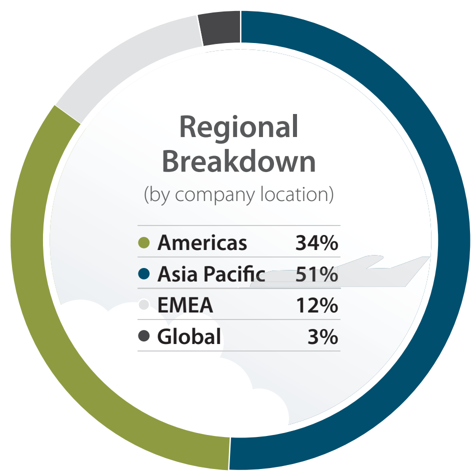
A natural part of our interactions with companies is engagement. In 2023, we conducted over 800 meetings with nearly 500 companies. In addition to discussing ideas about the companies' prospects and strategies, we regularly ask management about relevant sustainability topics.

We want to know if their responses align with RepRisk trend analysis data and see first-hand how they react to our inquiries. We can gain a better understanding of an executive's depth of knowledge and prioritization of ESG matters when discussing directly than when reading an ethics statement or annual report. Under normal circumstances, our on-the-ground research also enables us to visit company facilities and other stakeholders.

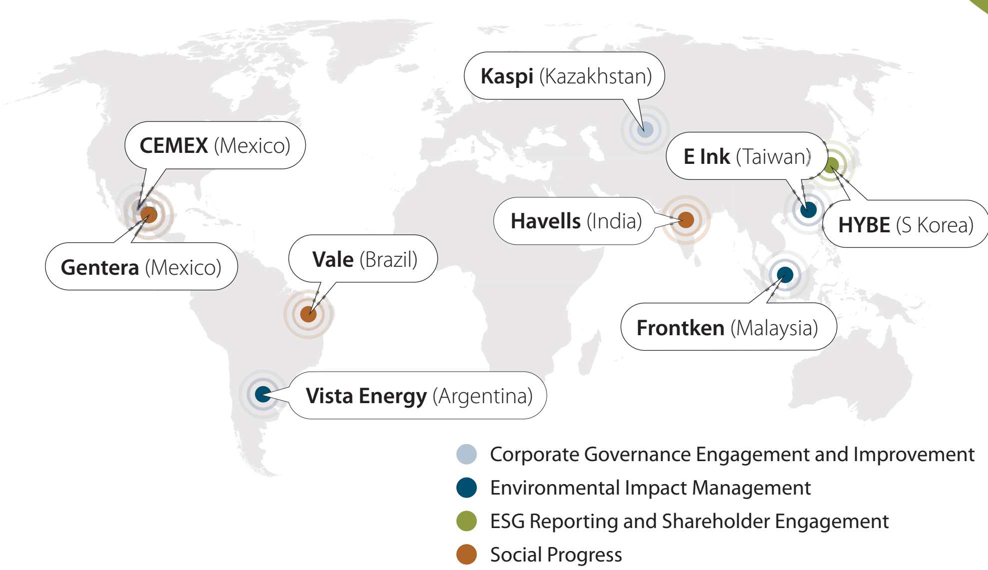
The information we gather from our travels and engagements further informs the empirical component of our sustainability assessments. When necessary, we will also communicate with a company's board of directors or advisory board. In some circumstances, we will actively participate in a shareholder meeting or otherwise publicly communicate our views about a particular company's business strategy.

Total company meetings in 2023: **806**

Number of companies: **499**



In 2023, we engaged with company management teams on a range of topics. Below is a representative sampling of the types of engagement and topics discussed.



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ENGAGEMENT EXAMPLES

Engaging with the management teams is fundamental to our investment stewardship processes. We firmly believe in our responsibility as investors to promote progress in sustainability practices for the benefit of all stakeholders, especially the people in emerging markets. The following examples offer insight into the dynamic and collaborative approach we take.

Environmental: Carbon footprint

Cemex—One of the world's largest cement producers

Cement production stands out as one of the highest carbon-emitting industrial processes, accounting for nearly 8% of total global emissions. At the same time, cement plays an indispensable role in constructing buildings, roads, bridges and essential infrastructure supporting the transition to clean energy. Given the dependence on this material and its crucial role in shaping a greener future, rethinking the cement manufacturing process should be a global priority to curb climate change.

As a leading global cement producer, Cemex has the ability to make a significant impact in the battle against climate change. Our extensive engagement with Cemex over the years has solidified our conviction that the company aligns with our view of sustainability. This belief was underscored in 2022 when the company declared its commitment to achieving net-zero carbon dioxide (CO_2) emissions by 2050, a target validated by the Science Based Targets initiative (SBTi). Attaining this goal would mark an unprecedented achievement for a cement production company, set a notable precedent and encourage peers across high-carbon emission industries to follow suit.

Our team engaged with Cemex on five occasions throughout 2023, including a visit to the company's headquarters in Mexico for an ESG-focused meeting with Cemex's sustainability management team. While setting a target represents a positive initial step, we firmly believe it marks the beginning of the journey. Our ongoing engagement has centered on closely monitoring and ensuring that Cemex implements necessary initiatives and makes progress toward its emission reduction goals.

Witnessing Cemex's early success with these initiatives is encouraging. The company is constructing solar power generation projects in the US and Mexico to power its plants. In Europe, all of its energy consumption is derived from renewable sources. Cemex has implemented engineering changes in its cement production process, including a reduction in the clinker factor (the concentration of clinker, an intermediate product with a high carbon emissions manufacturing process, in cement) and the use of alternative fuels for combustion. In pursuit of its 2050 zero emissions goal, Cemex is dedicating

We firmly believe in our responsibility as investors to promote progress in sustainability practices for the benefit of all stakeholders, especially the people in emerging markets.

resources to R&D and focusing on creating both carbon capture and re-carbonation technologies. Notably, by 2022 the company had already reduced its emissions per ton of cement produced by 9% compared to 2020, surpassing its initial forecast.

Our ongoing dialogue with Cemex has proven to be constructive. We consider Cemex a prime example of a company overlooked by sustainability-conscious investors, mainly due to its industry. However, through engagement and communication, investors can uncover a company poised to play a pivotal role in the overarching battle against climate change.

Governance: Transparency

HYBE—Korean music-based entertainment company

Information access is a significant challenge to navigating the EM investment landscape, especially when assessing sustainability-related risk. Companies in EM often lack the resources available to their developed market counterparts for measuring and disclosing detailed sustainability metrics. Nevertheless, as investors, our decision-making relies on accurate and timely information. Therefore, we emphasize information transparency in our engagements with portfolio companies. This emphasis has yielded fruitful outcomes, ultimately benefiting all stakeholders.

HYBE is a relatively new entrant to the public markets, having gone public in 2020. The company is in the process of developing and refining its sustainability strategy. When we initially delved into researching HYBE, we encountered limited information on its website regarding corporate governance and board composition—both integral aspects of our sustainability assessment. Additionally, HYBE had not yet produced a sustainability report.

HYBE's management has shown a willingness to engage with our team, exploring best practices observed in other portfolio companies. Specifically, we encouraged HYBE to publish a comprehensive sustainability report so investors could effectively track and analyze key sustainability metrics.

HYBE has embraced several of our recommendations. Notably, in September 2023, the company published its inaugural sustainability report, and it plans to release future reports annually. Moreover, the company has made changes to its corporate governance structure, strengthening its independence.

Our team maintains constructive engagement with the company. Throughout our holding period, we have broadened our involvement to other sustainability aspects. For instance, we engaged with HYBE's management about measures to support its music artists' mental health. Emphasizing the significance of artists' mental well-being, we underscore its impact not only on the artists but also on their influence over young fans.

We will continue engaging and discussing corporate governance best practices with HYBE to encourage the company along its sustainability journey. Through the ongoing enhancement of its sustainability profile, we believe HYBE has the potential to be more transparent, reinforce its competitive position and unlock sustainable earnings.

A natural part of our interactions with companies is engagement. In 2023, we conducted over 800 meetings with nearly 500 companies.

PROXY VOTING

Proxy voting is an important aspect of our investment responsibilities and a valuable avenue for encouraging and improving governance practices. This is especially important in EM countries, where shareholder rights may not be as well established as in developed markets, and the ability to participate and effect change via proxy voting may be more challenging given varied governmental and regulatory environments.

Among the most frequent matters we vote on are director appointments and remuneration, as well as corporate actions. We have gained considerable insight into the right types of leaders within the context of companies, industries and countries broadly, while frequent interactions with company executives and directors provide us valuable perspective on specific individuals.

We vote all shares held in the portfolios we manage unless our clients have specifically directed us not to vote or the costs or consequences of voting shares outweighs the benefits of voting. When making voting decisions, we follow the process and guidelines set forth in our Proxy Voting Policy, which is available on our website at www.artisanpartners.com and our full proxy voting record is available upon request.

We vote against management proposals a meaningful number of times, and we support a significant percentage of shareholder proposals.

During the 2023 proxy season
we voted at all 90 meetings

We voted across
25 different countries

Total Proposals:
831

Total Proposals:
9

THOUGHT LEADERSHIP AND INDUSTRY ENGAGEMENT

Our first priority—and our primary focus—is managing our clients' assets. We spend the majority of our time conducting research and making investment decisions that we believe to be in the best interest of our clients. However, we understand our responsibility to be transparent with investors and to communicate our views. We are committed to staying knowledgeable and engaged with the EM companies we invest in. We believe in the power of active communication with company management teams as a means to foster progress in how they affect all their stakeholders.

At a firm level, Artisan Partners is a signatory to PRI and has established membership in the SASB Alliance Program. Additionally, the Sustainable Emerging Markets team is a member of the Emerging Markets Investor Alliance, a nonprofit organization facilitating institutional EM investors in promoting good governance and sustainable development to address the world's most pressing challenges.

In 2023, our team engaged with Ceres, a nonprofit organization driving action and inspiring policy solutions throughout the economy to build a just and sustainable future. Team members took part in Ceres' Investor Climate Action Plan Workshop, delving into discussions with thought leaders and peers on environmental transition plans, corporate engagement, policy advocacy and investor disclosure.

Signatory of:

We participated in numerous conferences and panel discussions in 2023. Our team's portfolio manager, Maria Negrete-Gruson, spoke at various events, including the Sustainability Panel at Wharton's Women in Investing Conference. She shared insights on EM, our investment philosophy and our approach to sustainability, and encouraged female students to explore careers at the intersection of finance and sustainability.

Remaining attuned to the latest sustainability trends and breakthroughs in academia is of utmost importance. Every year, our team welcomes accomplished graduate students who have demonstrated a passion for investing and sustainability to participate in our internship program. These young professionals bring a refreshing academic outlook to our team, ensuring that our ESG methodology remains current and relevant. Beyond the valuable contributions from students, the program takes pride in sparking participant interest and propelling them into flourishing careers in sustainable investing. The program plays a crucial role in the team's talent sourcing. Three of our analysts, Gurpreet Pal, Nicolas Rodriguez-Brizuela, and Javier Cervantes, formally joined the team after showcasing exceptional aptitudes during their internships.

For more information please visit:

www.ArtisanPartners.com | www.ArtisanCanvas.com

To be truly sustainable, EM companies must be focused on enhancing long-term shareholder value by both building sustainable competitive advantages and acting in harmony with the environment and communities in which they operate.

This report focuses on the Artisan Partners Sustainable Emerging Markets Team's approach to sustainability and reports out on the team's prior year's activities. For more information about Artisan Partners or the Sustainable Emerging Markets team, please visit **www.artisanpartners.com**.

For more information: Visit www.artisanpartners.com

Non-diversified portfolios may invest larger portions of assets in securities of a smaller number of issuers and performance of a single issuer may have a greater impact to the portfolio's returns. 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 and less developed markets, including frontier 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.

This summary represents the views of the portfolio manager as of 31 Dec 2023 and do not necessarily represent those of Artisan Partners. The views and opinions expressed are based on current market conditions, which will fluctuate, and those views are subject to change without notice. While the information contained herein is believed to be reliable, there is no guarantee to the accuracy or completeness of any statement in the discussion. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. ESG assessments represent one of many pieces of research available and the degree to which it impacts holdings may vary based on manager discretion. The discussion of portfolio holdings does not constitute a recommendation of any individual security.

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.

For the purpose of determining the portfolio's holdings, exposures are delta-adjusted at the issuer level and may include multiple securities of the same issuer. 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. The holdings mentioned above comprise the following percentages of a representative account within the Composite's total net assets as of 31 Dec 2023: Cemex SAB de CV 1.2%, E Ink Holdings Inc 2.8%, Frontken Corp Bhd 0.7%, Gentera SAB de CV 1.7%, GPS Participacoes e Empreendimentos SA 2.3%, Havells India Ltd 1.8%, HYBE Co. Ltd 1.3%, Kaspi.KZ JSC 1.7%, MercadoLibre Inc 3.4%, Mytilineos SA 1.5%, Prosus NV 2.2%, Sea Ltd 0.3%, Vale SA 2.1%, Vista Energy SAB de CV 1.3%. Securities named in the Commentary, but not listed here are not held in the portfolio as of the date of this report.

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