



# Artisan Sustainable Emerging Markets Fund

## QUARTERLY Fact Sheet

Institutional Class: APHEX

As of 31 December 2019

### Investment Process Highlights

The investment team seeks 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

- In-depth financial and strategic analyses to determine a sustainable ROE
- Financial analysis focuses on identifying historical drivers of ROE
- Strategic analysis examines a company's competitive advantages

### Risk Analysis

- Assess and incorporate company-specific risks into valuation analysis
- Assess sustainability risks, including ESG considerations, via quantitative and qualitative factors
- Assess country-appropriate macro-economic risks to which a company is exposed

### Valuation

- Determine risk-adjusted target price based on sustainable earnings estimates, cash flow expectations and risk analysis
- Invest in companies that are undervalued relative to peers and historical, industry, country and regional valuations

### Portfolio Details

		APHEX	
Net Asset Value (NAV)		\$16.67	
Inception		26 June 2006	
Expense Ratios		Gross	Net <sup>1</sup>
Annual Report 30 Sep 2019 <sup>2</sup>		2.47%	1.20%
Prospectus 30 Sep 2018 <sup>2</sup>		2.00%	1.20%
Total Net Assets (Millions)		\$57	

<sup>1</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2021. <sup>2</sup>See prospectus for further details.

### Portfolio Statistics

	Fund	MSCI EM <sup>1</sup>
Median Market Cap (Billions)	\$6.5	\$5.9
Weighted Avg. Market Cap (Billions)	\$116.1	\$113.3
Weighted Harmonic Avg. P/E (FY1)	17.3X	14.2X
Weighted Harmonic Avg. P/E (FY2)	14.9X	12.6X
Weighted Avg. LT EPS Growth Rate (3-5 Yr)	18.4%	13.5%
Weighted Avg. ROE	16.2%	17.1%
Median Price/Book Value	2.7X	1.9X
Active Share	75.9%	—
Portfolio Turnover Rate <sup>2</sup>	30.6%	—
Number of Securities	70	1,404
Number of Countries	21	26

Source: Artisan Partners/FactSet (MSCI). <sup>1</sup>MSCI Emerging Markets Index. <sup>2</sup>Audited. For the 12 months ended 30 Sep 2019.

### Sector Diversification (% of total portfolio equities)

	Fund	MSCI EM <sup>1</sup>	Index
Communication Services	4.4	11.0	○
Consumer Discretionary	22.0	14.2	○
Consumer Staples	2.4	6.3	○
Energy	8.1	7.4	○
Financials	20.1	24.2	○
Health Care	7.9	2.8	○
Industrials	7.4	5.3	○
Information Technology	19.0	15.7	○
Materials	5.5	7.4	○
Real Estate	2.2	3.0	○
Utilities	1.0	2.6	○
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 3.5% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

### Top 10 Overweights (% of total portfolio)

	Fund	+MSCI EM <sup>1</sup>
Samsung Electronics Co Ltd (Korea)	7.1	+2.8
Prosus NV (Netherlands)	2.5	+2.5
ICICI Bank Ltd (India)	2.6	+2.0
Sino Biopharmaceutical Ltd (China)	2.1	+2.0
Alibaba Group Holding Ltd (China)	7.7	+1.9
Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	6.3	+1.9
Reliance Industries Ltd (India)	2.9	+1.9
AIA Group Ltd (Hong Kong)	1.8	+1.8
Sunny Friend Environmental Technology Co Ltd (Taiwan)	1.7	+1.7
LUKOIL PJSC (Russia)	2.2	+1.6

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI Emerging Markets Index. Portfolio country classifications are defined by the investment team. MSCI country classifications may differ.

### Investment Results (%)

As of 31 December 2019	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Institutional Class: APHEX	10.53	19.97	19.97	12.38	7.62	2.80	5.09
MSCI Emerging Markets Index	11.84	18.42	18.42	11.57	5.61	3.68	5.99

Returns for periods less than one year are not annualized.

### Calendar Year Returns (%)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Institutional Class: APHEX	18.42	-28.13	17.03	-4.39	-4.13	-12.62	16.38	39.92	-15.45	19.97
MSCI Emerging Markets Index	18.88	-18.42	18.22	-2.60	-2.19	-14.92	11.19	37.28	-14.57	18.42

Source: Artisan Partners/MSCI.

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 800.399.1770 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.

## Region/Country Allocation (% of total portfolio equities)

REGION	Fund	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>63.3</b>	<b>73.6</b>
China	23.8	34.3
Korea	11.9	11.7
Taiwan	11.6	11.7
India	11.1	8.6
Indonesia	4.2	1.9
Thailand	0.7	2.6
<b>LATIN AMERICA</b>	<b>16.8</b>	<b>11.4</b>
Brazil	9.6	7.5
Argentina	2.1	0.2
Peru	1.3	0.3
Panama	1.2	—
Colombia	1.2	0.4
Mexico	0.7	2.3
Chile	0.6	0.7
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>15.2</b>	<b>15.0</b>
Russia	9.1	3.9
South Africa	2.1	4.7
Greece	2.0	0.3
Turkey	1.7	0.5
Georgia	0.2	—
<b>DEVELOPED MARKETS</b>	<b>4.7</b>	<b>—</b>
Netherlands	2.6	—
Hong Kong	1.8	—
United Kingdom	0.3	—
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI Emerging Markets Index. Countries held in the index, but not held in the portfolio, are not listed. Portfolio country classifications are defined by the investment team and may differ substantially from MSCI classifications; index country classifications reflect MSCI methodology. For the portfolio's country breakdown according to MSCI methodology, refer to the Fund's most recent portfolio holdings at [www.sec.gov](http://www.sec.gov).

## Portfolio Construction

- Typically 60-80 holdings
- Maximum position size generally 5%<sup>1</sup>
- Generally limit +/- 10% of any one country's weighting in the MSCI Emerging Markets Index<sup>1</sup>
- Minimum of \$400 million market capitalization<sup>1</sup>
- Typically less than 5% cash

<sup>1</sup>Limitations apply at the time of purchase. See prospectus for more details.

## Team Leadership



Portfolio Manager	Years of Investment Experience
Maria Negrete-Gruson, CFA	28

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 800.399.1770. Read carefully before investing.

International investments involve special risks, including currency fluctuation, lower liquidity, different accounting methods and economic and political systems, and higher transaction costs. These risks typically are greater in emerging markets. Such risks include new and rapidly changing political and economic structures, which may cause instability; underdeveloped securities markets; and higher likelihood of high levels of inflation, deflation or currency devaluations. Securities of small- and medium-sized companies tend to have a shorter history of operations, be more volatile and less liquid and may have underperformed securities of large companies during some periods.

MSCI Emerging Markets Index measures the performance of emerging markets. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expense ratio information, and is as of the date shown in the upper right hand corner. Totals may not sum due to rounding.

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**Median** is the data's midpoint value. **Market Cap** is the aggregate value of all of a company's outstanding equity securities. **Weighted Average** is the average of values weighted to the data set's composition. **Weighted Harmonic Average** is a calculation of weighted average commonly used for rates or ratios. **Price-to-Earnings Ratio (P/E Ratio)** measures how expensive a stock is. Earnings figures used for FY1 and FY2 are estimates for the current and next unreported fiscal years. **LT EPS Growth Rate** is the average of the 3-5 year forecasted EPS growth rate of a company. **Return on Equity (ROE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity. **Price-to-Book Ratio (P/B Ratio)** measures a company's stock price in relation to its book value (the total amount a company would be worth if it liquidated its assets and paid back all its liabilities). **Active Share** is defined as the percentage of a portfolio that differs from its benchmark index. Active Share can range from 0% for an index fund that perfectly mirrors its benchmark to 100% for a portfolio with no overlap with an index. **Portfolio Turnover** is a measure of the trading activity in an investment portfolio — how often securities are bought and sold by a portfolio.

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