



# Artisan Emerging Markets Debt Opportunities Strategy

QUARTERLY  
Fact Sheet

As of 31 December 2022

For US Institutional Investors and MiFID Eligible Counterparties — Not for Onward Distribution

## Investment Process Highlights

The team applies in-depth fundamental research and employs robust operational capabilities across a broad opportunity set to uncover knowledge gaps in global markets. By exploiting knowledge gaps, the team is well positioned to discover idiosyncratic opportunities that provide compelling risk-adjusted return potential.

### Organizational Structure

- Flat and collaborative structure
- Portfolio managers and analysts focus on idea generation
- Trading and implementation are embedded within the investment team

### Idea Generation Through Broad Investment Universe

- Constantly perform fundamental country research and monitor financial markets
- Country research seeks to understand policy environment and how important policy moments may alter the investment environment
- Corporate analysis includes decomposing yields and examining corporate liquidity and solvency risks
- Integrated environmental, social and governance (ESG) analysis at the country and corporate levels
- Broad spectrum of global markets with investable assets from more than 100 countries across asset classes

### Portfolio Implementation

- Investment opportunities analyzed from a risk factor perspective—the forces that drive securities and instruments prices
- Investment team and trading consider which instruments provide optimal risk-adjusted return
- Trading and implementation expands the investment universe by understanding and overcoming investment barriers

## Portfolio Details

Composite Inception	1 May 2022
Total AUM (USD Millions)	\$45

## Portfolio Statistics

Yield to Worst	11.59%
Option-Adjusted Spread (bps)	446
Effective Duration (yrs)	1.88
Spread Duration (yrs)	2.35
IG/HY/Not Rated Composition (%) <sup>1</sup>	29/63/8
Number of Issuers <sup>2</sup>	63

Source: Artisan Partners (S&P/Moody's/Fitch). Based on market value of the total portfolio, including US securities, cash and cash equivalents. <sup>1</sup>Not Rated includes unrated positions, derivatives and cash equivalents. <sup>2</sup>Equals the number of risk positions, defined by the investment team as the number of emerging markets sovereign and corporate issuers to which the portfolio is exposed directly or via derivative instrument (treating hard currency credit and interest rates exposures distinctly), as well as the number of emerging markets currencies to which the portfolio is exposed.

## Asset Types (%)

EM Sovereign Credit <sup>1</sup>	47.37
EM Corporate Credit <sup>1</sup>	11.44
EM FX Exposure <sup>2</sup>	56.43

<sup>1</sup>Reflects credit positions payable in hard currencies. Notional exposure of derivative positions are included. <sup>2</sup>Reflects aggregate net exposure to currencies other than hard currencies. Market value of derivative positions are included.

## Investment Results (% USD)

As of 31 December 2022	QTD	YTD	Average Annual Total Returns					Inception
			1 Yr	3 Yr	5 Yr	10 Yr		
Composite — Gross	8.47	—	—	—	—	—	8.28	
Composite — Net	8.27	—	—	—	—	—	7.75	
J.P. Morgan EMB Hard Currency / Local Currency 50/50	7.43	—	—	—	—	—	-0.99	

Source: Artisan Partners/J.P. Morgan. Returns for periods less than one year are not annualized.

## Annual Returns (% USD) 12 months ended 31 December

	2018	2019	2020	2021	2022
Composite — Net	—	—	—	—	—

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. The portfolio's returns may vary greatly over shorter periods due to the limited operating period since inception. 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 next page, which should be read in conjunction with this material.

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## Team Leadership

Portfolio Managers	Years of Investment Experience
Michael A. Cirami, CFA	24
Sarah C. Orvin, CFA	15

## Top 5 Emerging Markets Currency Exposures (%)

New Romanian Leu	7.9
Hungarian Forint	7.0
Serbian Dinar	4.9
Polish Zloty	4.6
Dominican Peso	4.5
<b>TOTAL</b>	<b>28.9%</b>

Reflects the aggregate net exposure from securities and other instruments issued in local currencies, other than hard currencies. Market value of derivative positions are included.

## Top 5 Emerging Markets Interest Rate Exposures by Country (years)

Peru	0.31
Mexico	0.25
Indonesia	0.24
Romania	0.17
N/A	—
<b>TOTAL</b>	<b>0.97</b>

Reflects the effective contribution to duration from aggregated securities and other instruments issued in local currencies. Excludes short-term currency forwards and hard currency denominated instruments.

## Top 5 Credit Exposures by Country (%)

North Macedonia	3.5
Benin	3.5
Iraq	2.8
Serbia	2.5
Romania	2.5
<b>TOTAL</b>	<b>14.7%</b>

Reflects the country of domicile for individual portfolio securities denominated in hard currencies.

## Foreign Currency Exposures by Region (%)

Asia	1.8
Europe	36.9
LATAM	13.8
MENA	—
Sub-Saharan Africa	3.9
<b>TOTAL</b>	<b>56.4%</b>

Reflects exposures from positions denominated in regional currencies, other than hard currency exposures. Market value of derivative positions are included.

## Credit Exposures by Region (%)

Asia	3.4
Europe	17.8
LATAM	13.4
MENA	7.4
Sub-Saharan Africa	16.9
<b>TOTAL</b>	<b>58.8%</b>

Reflects exposures for regionally domiciled positions denominated in hard currencies, including notional value of related derivatives.

**Investment Risks:** The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. 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, and 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. Fixed income securities carry interest rate risk and credit risk for both the issuer and counterparty and investors may lose principal value. In general, when interest rates rise, fixed income values fall. High yield securities (junk bonds) are speculative, experience greater price volatility and have a higher degree of credit and liquidity risk than bonds with a higher credit rating. Use of derivatives may create investment leverage and increase the likelihood of volatility and risk of loss in excess of the amount invested. 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.

The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. In aggregate, these instruments make up a material portion of the portfolio's exposures and may be impactful to the portfolio's return, but are typically utilized for liquidity management and reflect negative exposures due to currency offsets when funding positions in emerging markets. Hard currencies are defined by the investment team to include currencies of developed market countries, including US dollars, euros, British pounds and Japanese yen, among others.

Unless otherwise indicated, the portfolio data and performance source is Artisan Partners and information is as of the date shown in the upper right hand corner and is subject to change. Where applicable, portfolio statistics include accrued interest, and exposure percentages are based on a representative portfolio's total net assets. Totals may not sum to 100% due to rounding, derivative exposures, unsettled transactions and other factors. Notional value represents the portfolio's exposures based on the economic value of investments by adjusting for derivatives exposure to the market value of the contract's underlying security and accounts for the sensitivity to changes in price of the underlying security. In comparison, measuring the exposure of a derivative contract at market value or notional value can understate or overstate, respectively, the economic exposure and risk. This estimate of portfolio exposure is only an approximation of the portfolio at a point in time.

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.

The J.P. Morgan (JPM) EMB Hard Currency/Local currency 50-50 is an unmanaged, blended index consisting of 50% JPM Government Bond Index-Emerging Market Global Diversified (GBIEMGD), an index of local-currency bonds with maturities of more than one year issued by EM governments; 25% JPM Emerging Markets Bond Index-Global Diversified (EMBIGD), an index of USD-denominated bonds with maturities of more than one year issued by EM governments; and 25% JPM Corporate Emerging Market Bond Index-Broad Diversified (CEMBIBD), an index of USD-denominated EM corporate bonds. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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**Options-Adjusted Spread (OAS)** measures the portfolio's yield spread for fixed income securities relative to a benchmark, typically a treasury yield curve, adjusted to account for embedded options. **Effective Duration (option-adjusted duration)** measures the portfolio's sensitivity of the price (the value of principal) of fixed income securities to changes in interest rates, adjusted to account for embedded options. **Spread Duration** measures a portfolio's sensitivity to price movements (the value of principal) for fixed income securities relative to changes in each security's credit spread (yield difference between a benchmark, typically a treasury yield curve). **IG/HY/Not Rated Composition** is the portfolio's proportion of investment grade (IG), below investment grade (high yield; HY) bonds, based on credit ratings determined by surveying the three major ratings agencies (Moody's, S&P, Fitch) and taking the middle of the three ratings or the lower if only two ratings are available, and unrated securities within the portfolio. **Yield to Worst (YTW)** is the portfolio's weighted-average lowest potential yield that can be received on a bond without the issuer actually defaulting.

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