



# Artisan Sustainable Emerging Markets Strategy

## QUARTERLY Fact Sheet

As of 31 December 2023

For Institutional Investors – Not for Onward Distribution

### Investment Team and Highlights



Pictured (L to R): Maria Negrete-Gruson, Meagan Nace, Chen Gu, Nicolas Rodriguez-Brizuela, Gurpreet Pal, Jessica Lin, Javier Cervantes

#### Leadership, Diversity, Passion

- Six team members born, raised and/or educated in emerging countries, and core has worked together over 20 years
- Travel extensively overseas and meet with hundreds of companies per year

#### Sustainable Earnings

- Financial analysis focuses on identifying historical drivers of sustainable ROE
- Strategic analysis examines a company's competitive advantages

#### Sustainability Assessment

- Evaluate ESG risks via incident-based data and empirical factors
- Use a proprietary scoring system of ESG risks to help inform company target price

#### Risk Analysis and Valuation

- Assess company-specific and country-appropriate macroeconomic risks into valuation analysis
- Determine risk-adjusted target price based on sustainable earnings estimates, sustainability assessment and risk analysis

### Sector Diversification (% of portfolio securities)

	Strategy	MSCI EM <sup>1</sup>	Index
Consumer Goods	8.4	7.7	
Extractives & Minerals Processing	9.3	10.7	
Financials	19.4	22.1	
Food & Beverage	2.2	5.1	
Health Care	5.7	4.1	
Infrastructure	3.8	5.3	
Renewable Resources & Alternative Energy	0.0	1.0	
Resource Transformation	7.2	5.3	
Services	3.7	1.2	
Technology & Communications	38.3	32.2	
Transportation	2.0	5.3	

**TOTAL** 100.0% 100.0%

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 2.5% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

### Investment Results (% USD)

As of 31 December 2023	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
<b>Composite — Gross</b>	<b>8.31</b>	<b>18.30</b>	<b>18.30</b>	<b>-4.95</b>	<b>5.22</b>	<b>4.69</b>	<b>5.08</b>
<b>Composite — Net</b>	<b>8.08</b>	<b>17.31</b>	<b>17.31</b>	<b>-5.81</b>	<b>4.23</b>	<b>3.67</b>	<b>4.02</b>
MSCI Emerging Markets Index	7.86	9.83	9.83	-5.08	3.68	2.66	4.27

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

	2019	2020	2021	2022	2023
<b>Composite — Net</b>	<b>20.84</b>	<b>21.85</b>	<b>-1.27</b>	<b>-27.86</b>	<b>17.31</b>

### Calendar Year Returns (% USD)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Composite — Gross</b>	<b>-2.80</b>	<b>-10.95</b>	<b>17.03</b>	<b>41.19</b>	<b>-14.20</b>	<b>22.03</b>	<b>23.06</b>	<b>-0.27</b>	<b>-27.21</b>	<b>18.30</b>
<b>Composite — Net</b>	<b>-3.81</b>	<b>-11.90</b>	<b>15.82</b>	<b>39.79</b>	<b>-15.07</b>	<b>20.84</b>	<b>21.85</b>	<b>-1.27</b>	<b>-27.86</b>	<b>17.31</b>
MSCI Emerging Markets Index	-2.19	-14.92	11.19	37.28	-14.57	18.42	18.31	-2.54	-20.09	9.83

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

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 next page, which should be read in conjunction with this material.

### Portfolio Details

Composite Inception	1 July 2006
Total AUM (USD Millions)	\$917

AUM includes approximately \$78 million (reported on a one-month lag) for which Artisan Partners provides investment models to managed account sponsors.

### Portfolio Statistics

	Strategy	MSCI EM <sup>1</sup>
Median Market Cap (USD Billions)	\$11.3	\$6.6
Weighted Avg. Market Cap (USD Billions)	\$122.2	\$109.4
Weighted Harmonic Avg. P/E (FY1)	15.4X	12.8X
Weighted Avg. LT EPS Growth Rate (3-5 Yr)	13.9%	11.7%
Weighted Avg. ROE	19.9%	18.0%
Number of Securities	59	1,440
Off-Benchmark Exposure	30.8%	—
Small-Cap Exposure <sup>2</sup>	4.3%	0.2%
Annual Turnover <sup>3</sup>	22.1%	—

Source: Artisan Partners/FactSet (MSCI). <sup>1</sup>MSCI Emerging Markets Index. <sup>2</sup>Market capitalization up to \$2 billion. <sup>3</sup>For the 12 months ended 31 Dec 2023.

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

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	9.8
Samsung Electronics Co Ltd (Korea)	7.9
MercadoLibre Inc (Argentina)	3.4
ICICI Bank Ltd (India)	3.4
MediaTek Inc (Taiwan)	3.3
Alibaba Group Holding Ltd (China)	3.2
Itau Unibanco Holding SA (Brazil)	2.9
E Ink Holdings Inc (Taiwan)	2.8
Reliance Industries Ltd (India)	2.5
GPS Participacoes e Empreendimentos SA (Brazil)	2.3
<b>TOTAL</b>	<b>41.5%</b>

Source: Artisan Partners. Portfolio country classifications are defined by the investment team.

### Average Annual Total Returns

# Artisan Sustainable Emerging Markets Strategy

## Investment Team

Portfolio Manager	Years of Investment Experience
Maria Negrete-Gruson, CFA	32
Analysts	
Meagan Nace, CFA	31
Chen Gu, CFA	35
Nicolas Rodriguez-Brizuela	24
Gurpreet Pal	20
Jessica Lin, CFA	18
Javier Cervantes	8

## Region/Country Allocation (% of portfolio securities)

REGION	Strategy	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>61.8</b>	<b>77.8</b>
China	16.4	26.5
Taiwan	16.3	16.0
Korea	13.0	13.0
India	10.4	16.7
Indonesia	2.3	1.9
Malaysia	1.4	1.3
Vietnam	1.2	—
Thailand	0.8	1.8
<b>LATIN AMERICA</b>	<b>21.2</b>	<b>9.5</b>
Brazil	8.4	5.8
Argentina	6.1	—
Mexico	3.0	2.7
Chile	2.0	0.5
Peru	1.7	0.3
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>11.5</b>	<b>12.7</b>
South Africa	4.2	3.1
Greece	2.6	0.5
Kazakhstan	1.8	—
United Arab Emirates	1.5	1.3
Romania	1.5	—
Russia	0.0	—
<b>DEVELOPED MARKETS</b>	<b>5.5</b>	<b>—</b>
Netherlands	3.6	—
Hong Kong	1.6	—
Singapore	0.3	—
United States	<0.1	—
<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. Upon request, Artisan Partners will provide the portfolio's country breakdown according to MSCI methodology.

## Portfolio Construction

- Typically 50-80 holdings
- Minimum market capitalization generally \$400 million<sup>1</sup>
- Typically less than 5% cash

Based on a model portfolio. <sup>1</sup>Limitations apply at the time of purchase.

**Investment Risks:** 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.

The Artisan Strategy characteristics relate to that of a representative account managed within an investment composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy, unless otherwise indicated. 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 referenced may not be representative of all portfolio holdings. Securities of the same issuer are aggregated to determine a holding's portfolio weight. Portfolio statistics calculations exclude outlier data and certain securities which lack applicable attributes, such as private securities. Artisan Partners may substitute information from a related security if unavailable for a particular security. This material is as of the date indicated and is subject to change without notice. Totals may not sum due to rounding.

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.

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**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. **Annual 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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