

Q4 2023

EMsights Capital Group – Back To The Old Normal

Quarterly Investor Update

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Artisan Global Unconstrained Strategy



Artisan Global Unconstrained Strategy

A global long/short strategy that invests primarily in non-US fixed income securities and currencies, with an emphasis in emerging markets. The flexible strategy is designed to adapt to a wide range of market and economic conditions and aims to pursue the best investment opportunities – without limitations on geography, asset class, maturity, currency or credit quality.

STRATEGY GOALS

Incremental Return Over The Risk-Free Rate

Designed to adapt to a wide range of market and economic conditions

Strong Risk-Adjusted Returns

Obtain generous compensation for risks taken as measured by the Sharpe Ratio

Uncorrelated Diversifier

Lower beta and correlation to traditional risk factors such as US interest rates, global equities, US HY spreads, and EUR/USD exchange rate

Artisan Global Unconstrained Strategy

INVESTMENT UNIVERSE

The team is constantly canvassing the world for investment opportunities

Investment universe spans more than 130 countries that the team actively monitors for inflection points and mispriced assets.

Fundamentals

- News and events
- Politics and policies
- Structural changes
- Inflection points
- Disruptive events

Asset Pricing

- Currencies
- Interest rates
- Sovereign spreads
- Corporate spreads
- Equities
- Commodities

OPPORTUNITY SET

>\$15 trillion assets

Our screening is enhanced by our on the ground research

50-70

Country Visits Yearly

Public and Private Sources

- Academia
- Think Tanks

Cultivated
Local Networks

Market Overview & Opportunity Set



Emerging Markets Debt 2023—Back To The Old Normal

The title of the presentation is “Back to the Old Normal” because it’s likely the “New Normal”¹ period ended with the COVID-19 pandemic and the world is reverting to a period more akin to the two decades before the Global Financial Crisis (GFC). That period was marked by greater bouts of volatility in economics, financial markets, politics and geopolitics along with higher interest rates. Consequently, we are returning to a Golden Age of Active EMD investing.

Defining characteristics of the Golden Age of Active EMD Investing:

- The EMD market segment is capital starved, meaning issuers compete for private sector capital
- Sovereign defaults are an ever-present risk, pushing non-dedicated investors away from the space
- Geopolitical tensions add to the dynamic by creating exploitable volatility events
- Spreads and yields widen to reflect the environment
- Inefficient markets allow for excess alpha

Regime changes, like the kind described above, often bring about substantial investment opportunity and risks but they are notoriously hard to identify. Open-mindedness is key. Investors should not suffer from a lack of imagination on how these changes might impact economic and political outcomes and financial markets.

Investors faced numerous challenges in 2023:

- Ongoing war in Ukraine and the emergence of a new war in the Middle East
- Continued rate hikes in the US and Eurozone
- Elevated tensions between the US and China
- Easing global inflation
- Bank failures in the US and Europe

Source: Artisan Partners. Based on investment team views and opinions. ¹The “New Normal” term was commonly used post-GFC to describe the period of low growth, low inflation and low interest rates.

Emerging Markets Debt 2023—Back To The Old Normal (continued)

Despite the uncertainty and volatility in the market, EMD performed exceptionally well in 2023. Attractive starting valuations, declining inflation rates, and an expectation that the Fed will cut rates in the first half of 2024 helped boost returns.

The J.P. Morgan Blended EMD Benchmark was up 11.43% for the year. Local markets had the largest positive impact, but external, sovereign, and corporate assets were all positive contributors to return as well. See page 8 for attribution breakdown.

There was a fair amount of differentiation within the EMD asset class and numerous idiosyncratic events in the sovereign and corporate space that shaped the year.

On the political front:

- Argentina elected new leadership that brings hope for the seemingly irreparable economy.
- Turkey re-elected President Erdogan, who sharply pivoted economic policy afterwards.
- Ecuador saw the collapse of a reform minded presidency and the start of a new and extended political cycle.
- Nigeria elected President Bola Tinubu who brought in long-needed reforms to tame inflation and help stabilize the currency.

China continued its drift deeper into authoritarianism, while long-term structural economic problems drew greater attention. Additionally, the drumbeat of war over Taiwan grew louder, with tensions at multi-year highs.

Emerging Markets Debt 2023—Back To The Old Normal (continued)

Several weaker credits in the sovereign space came under significant pressure in 2023 and one slipped into default. Three sovereigns in default (Zambia, Ghana and Sri Lanka) are finding that having China part of their creditor stack is more complicated than helpful in the restructuring process. Other notable events in the distressed space include:

- Lebanon lacks a viable government to move a restructuring forward
- Venezuela received partial sanctions relief from the US, but it needs much more to restructure its debt
- Ethiopia missed a coupon payment in December and will now face Eurobond creditors and China
- Suriname was the only country to buck the trend and finalize an agreement with its private creditors. As a result, a value recovery instrument (VRI) was born in the form of an oil warrant

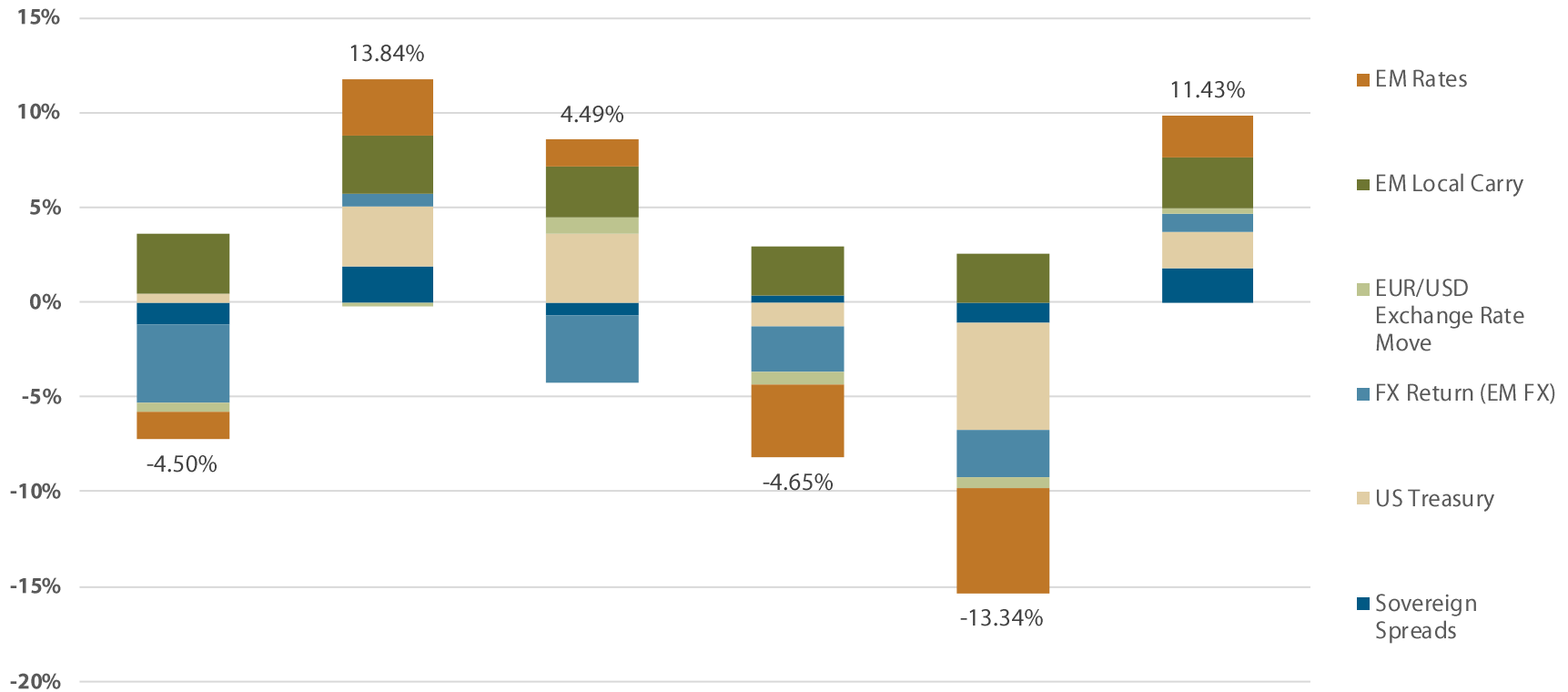
The IMF appears to have lowered its bar for disbursing financial support — at least for certain “favored” countries that have received support despite only implementing minimal economic reforms.

Despite the more forthcoming official financial support there are several reform minded countries that continue to make progress.

- Uzbekistan: Continued making progress on preparing banks for privatization and changed the constitution to enshrine fundamental human rights.
- Dominican Republic: President Abinader presented the fiscal responsibility law to Congress, which includes a fiscal rule and seeks to guarantee the sustainability of public debt.
- Uruguay: The Lacalle Pou administration approved a social security reform. The core of the reform is a gradual increase in retirement age from 60 to 65 years.

J.P. Morgan Blended Benchmark Performance Breakdown

J.P. Morgan 50% Local, 25% Sovereign HC, 25% Corporate HC Index Return Decomposition



	2018	2019	2020	2021	2022	2023
Sovereign Spreads	-1.22%	1.88%	-0.73%	0.40%	-1.10%	1.80%
US Treasury	0.48%	3.15%	3.62%	-1.29%	-5.66%	1.93%
FX Return (EM FX)	-4.09%	0.74%	-3.47%	-2.34%	-2.52%	0.91%
EUR/USD Exchange Rate Move	-0.46%	-0.24%	0.86%	-0.66%	-0.55%	0.30%
EM Local Carry	3.10%	3.03%	2.72%	2.59%	2.58%	2.73%
EM Rates	-1.47%	3.02%	1.42%	-3.90%	-5.50%	2.21%
Corporate Spreads	-0.72%	1.77%	0.26%	0.70%	-0.99%	1.20%
Total Index Return	-4.50%	13.84%	4.49%	-4.65%	-13.34%	11.43%

Source: Bloomberg. As of December 31, 2023. Past performance is not indicative of future results. Decomposition approximates the factor returns attributable to the index's return for the period. Returns attributable to index components may not sum to the index's total return due to rounding. EM Local Carry is considered the return of the interest paid by bonds.

2023 Regional Recaps

CENTRAL & EASTERN EUROPE

Economics

- Economic growth slowed across the region in 2023. A few countries dipped into technical recession during the year and declining inflation has prompted several central banks to begin cutting rates, including Poland and Hungary.
- Fiscal balances varied significantly with the CE countries generally struggling to consolidate their budget deficits while the Balkan economies ran tighter budgets. The Balkan countries also benefited from booming tourism and an influx of economic refugees from Russia.

Politics & Geo-Politics

- The war in Ukraine continued and the much-anticipated Ukrainian counter-offensive against Russia in June 2023 was unsuccessful.
- The battle over Nagorno-Karabakh continued for most of the year until Azerbaijan fully took over the region in September 2023, resulting in a formal dissolution of the government of Republic of Artsakh and 100,000 refugees displaced to Armenia.
- Renewed tensions between Serbia and Kosovo escalated following a clash in September in northern Kosovo.
- These conflicts drove a renewed push for European integration. Ukraine and Moldova were invited to start accession negotiations and Georgia was granted candidate status. Additionally, Croatia joined the Eurozone with the adoption of the Euro.
- Pro-EU opposition candidates found success across the region and brought additional momentum for EU integration.
- Notable Elections included:
 - *Montenegro*: Parliamentary elections in June ousted long-in-power DPS party and resulted in a coalition led by Europe Now, a young pro-European party.
 - *Poland*: Parliamentary elections in October ousted PiS with the opposition coalition winning a majority in both houses. It is widely believed that rate cuts by the National Bank of Poland in September intended to facilitate a PiS win in the election.
 - *Czech Republic*: Presidential election won by pro-European, ex-NATO general, Petr Pavel.

Source: Artisan Partners, based on investment team views and opinions.

2023 Regional Recaps

CENTRAL & EASTERN EUROPE (continued)

Politics & Geo-Politics

- In Hungary, the battle over EU Funds continued between the government and various parts of the European apparatus. A breakthrough appeared possible at year end but was complicated when PM Orbán vetoed more aid for Ukraine.

Markets

- Currency performance across Central and Eastern Europe was mixed with winners and losers.
- The biggest market move in the region was the drop in government bond yields which ended the year at the lows.
- Sovereign spreads tightened along with general markets.

2023 Regional Recaps

LATIN AMERICA

Economics

- Early monetary tightening from Latin American central banks in 2021 helped to sharply lower inflation across the region and is allowing some central banks to start cutting interest rates.
- The Mexican economy has remained resilient, in part thanks to nearshoring which has renewed investment interest in Mexico. Other large Latin American economies are starting to slow. Ecuador and Bolivia are facing increasingly acute financial troubles.
- Strong tourism in the Caribbean has poised the region for a positive upswing, specifically in the Bahamas, Jamaica, and Dominican Republic.

Politics & Geo-Politics

- Political polarization continued throughout the region in 2023 with the continuation of the anti-incumbent wave that gave way to the far right gaining popularity, though most of the region remains left / center for now. Many presidents across the region lack majorities in Congress, leaving little room for reforms.
- Notable elections include:
 - *Brazil*: President Lula assumed office in January and maintained centrist economic policies
 - *Guatemala*: Bernardo Arevalo won the presidency in June, but the “pact of the corrupt” may keep him from office
 - *Ecuador*: President Lasso dissolved the legislature and his own presidency, ending a short-lived era of reform
 - *Paraguay*: Santiago Peña took office in August, marking a rare case of centrism and political continuity in Latin America
 - *Argentina*: Javier Milei won the presidency, although it is too soon to tell how this will impact the economy
- President Maduro of Venezuela is stirring up territorial disputes with Guyana.

2023 Regional Recaps

LATIN AMERICA (continued)

Markets

- Wide dispersion in currency performance across Latin America with the Colombian peso and Mexican peso notably stronger but the Argentine peso materially weaker. Argentina's new president, Javier Milei, devalued the peso by 54% as part of his large-scale plan to reduce spending and address the country's worst economic crisis in decades.
- In October, the US lifted its ban on secondary market trading on Venezuela bonds which sent its sovereign bonds higher. This event had an outsized impact on many investment portfolios. The combination of shrinking EMD mutual fund AUM and the trading ban led to growing exposures to Venezuela government debt over the last few years.
- Government bond yields saw significant volatility and ended the year mixed across the major Latin American countries. This was mostly driven by US Treasury yields and the Fed rather than idiosyncratic country events.
- Sovereign spreads mostly tightened although Ecuador and Bolivia saw significant spread widening.

2023 Regional Recaps

ASIA-PACIFIC

Economics

- Growth was varied across Asia in 2023 with India and Mongolia growing robustly, while growth in the rest of the region slowed. In Mongolia, a re-acceleration of exports to China led to a significant easing of balance of payments pressures and increased growth. India officially surpassed China to become the world's most populous country, while retaining its position as the fastest growing major economy.
- Inflation across most of the region cooled, though Japan and Pakistan remain outliers where inflation continues to run hot.
- Central banks across Asia have mostly reached the end of their tightening cycles but remain restrictive and have not cut rates yet. The exceptions are China, Sri Lanka, and Vietnam where the central banks have started to cut rates.
- Positive fiscal consolidation trends were observed across southeastern Asia with Indonesia leading the pack on deficit outperformance.
- The Chinese real estate sector remained under pressure despite a series of stimulus measures, with the country's largest property developer (Country Garden) defaulting on its external obligations.
- IMF Assistance
 - Pakistan secured an SBA program from the IMF at the last possible second, avoiding a credit event in the process
 - Papua New Guinea secured a 38-month ECF program from the IMF

2023 Regional Recaps

ASIA-PACIFIC (continued)

Politics & Geo-Politics

- The first year of President Xi's third term in China was characterized by an anti-corruption drive, which started from the military and has since been expanded to all organs of government.
- President Xi matched increased PLA activity in the Taiwan strait with stronger rhetoric regarding Taiwan reunification.
- Myanmar saw increased engagement from China this year seeking a long-lasting solution to the ongoing civil war. These efforts culminated in a meeting between representatives of the military junta and pro-democracy groups. The two sides agreed to hold further talks. Myanmar provides China another base to project power into the SCS, while an oil pipeline running from Myanmar to Yunnan province serves as an important component of the Belt and Road Initiative.
- Notable elections
 - *Malaysia:* Elections in 6 of the country's 13 states saw the PH-led ruling coalition retain control of 3 key states, despite gains by the opposition suggesting an increasing embrace of Malay nationalism across the electorate.
 - *Thailand:* Voters rejected the military-led government, with the Move Forward and Pheu Thai parties getting the most votes in the May general elections. Months of uncertainty eventually gave way to the formation of a Pheu Thai-led coalition, now seeking to actualize a USD14bn cash hand-out program.

Markets

- Currencies across Asia were flat to weaker over the year. The offshore Chinese yuan weakened as housing price data signaled a prolonged struggle in the property market.
- Government bond yields ended the year flat to slightly lower and sovereign spreads were tighter.
- External sector outperformance and clear-eyed liability management saw Mongolia retire a significant portion of the outstanding amount of the Eurobonds due 2024.

2023 Regional Recaps

MIDDLE EAST & NORTH AFRICA

Economics

- Growth across the region has moderated and started to slow. The impacts of the on-going war in Israel are still being assessed but economic growth will likely slow further. Inflation is on a downward trend for the most part except for Egypt where it is accelerating. Bahrain is at risk of deflation with a couple of negative prints this year.
- Saudi Arabia's current account balance declined in response to the OPEC+ oil cuts over the summer of 2023
- Oman saw material financial improvements in 2023 and paid down a lot of its external debt.
- Egypt and Tunisia were approved for IMF programs more than a year ago, but no aid has been distributed to date.

Politics & Geo-Politics

- Conflict resurfaced in the Middle East on October 7th when Hamas attacked Israel killing 1,200 and kidnapping 240. In response, Israel launched a counter-offensive ground invasion into Gaza. The US and other allies have made it clear that they do not want the situation to escalate. Israel and Hamas have agreed to several ceasefire negotiations and hostage exchanges, but the war continues to rage on. Iran and Hezbollah remain mostly on the sidelines, but tensions are building.
- Israel and Saudi Arabia agreed to broad terms for normalization in August, though that is now on hold given the on-going war. Saudi Arabia also announced normalization of ties with Iran.
- OPEC quota cuts boosted the price of oil over the summer of 2023.
- President Erdogan won re-election and shocked the market when he backed away from his unorthodox policies and is attempting to tackle inflation through traditional monetary policy

Markets

- Currencies in the region either were pegged to the USD or came under pressure. The Turkish lira weakened to a record low after President Erdogan won re-election. Egypt devalued its currency early in the year and then kept the currency flat. We expect that another devaluation in the Egyptian Pound is likely.

Source: Artisan Partners, based on investment team views and opinions.

2023 Regional Recaps

SUB-SAHARAN AFRICA

Economics

- Growth has largely slowed across the region. In west and east Africa, inflation is cooling after its 2022 peaks, except for in Ghana and Nigeria where inflation remains strong. In southern Africa, the disinflation process was interrupted and South Africa, Zambia, Namibia, and Angola have all seen inflation accelerate again. Central banks have remained hawkish for the most part.

Politics & Geo-Politics

- In recent years there has been a rise in coups and attempted coups across Africa. Gabon is the latest African nation to stage a successful coup when they ousted Ali Bongo after general elections.
- Nigeria elected President Bola Tinubu who brought in long-needed reforms in attempt to tame inflation and help stabilize the currency.
- Several African countries in default have faced headwinds when restructuring their debt under the Common Framework. In Zambia, the Official Creditor Committee (OCC) brought debt restructuring proceedings to a halt after details of the government's agreement with private creditors were released. The OCC maintains that the deal breaches its interpretations of Comparability of Treatment. Ghana has faced similar delays and Ethiopia missed a coupon payment in December and is currently engaged in restructuring talks with Eurobond creditors and China.
- Tensions between the Democratic Republic of Congo and Rwanda escalated, heightening the risk of a military confrontation that could draw in Burundi.

Markets

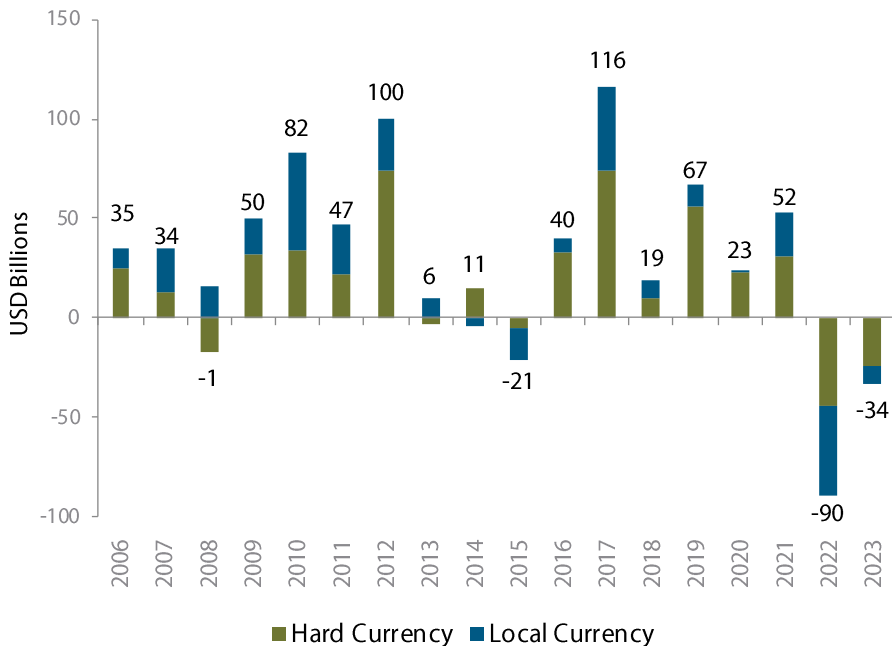
- Currencies across the region depreciated throughout the year. The Nigerian naira was one of the biggest losers as the currency depreciated by more than 40% of its value after the central bank allowed it to float freely.
- Kenya abandoned their plan to buy back a portion of a \$2 billion Eurobond at the end of 2023 that matures in June.
- Government bond yields were flat to lower over the course of the year and sovereign spreads tightened moderately.

Source: Artisan Partners, based on investment team views and opinions.

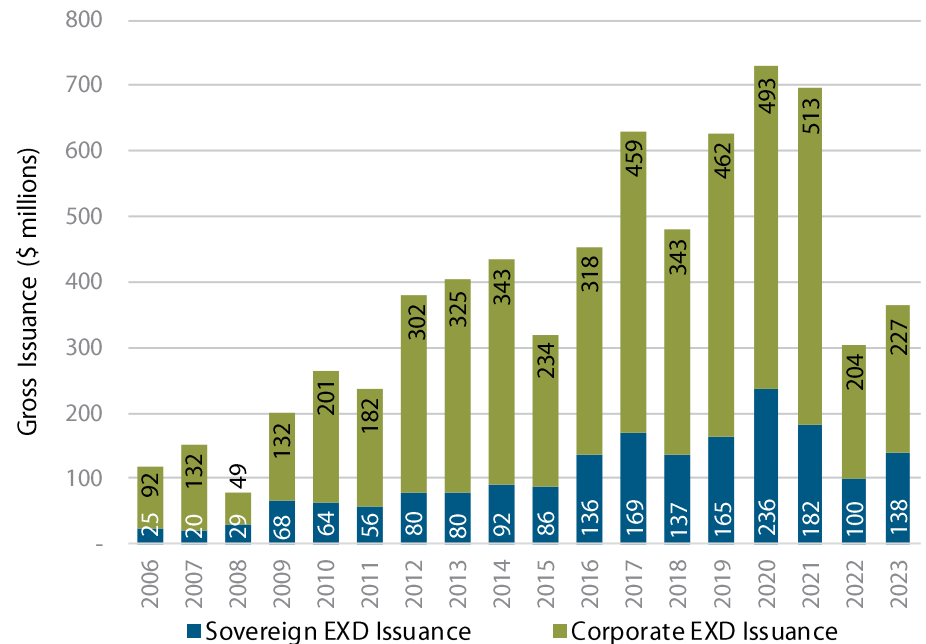
Emerging Market Debt Flows and Issuances

- 2023 marked the second straight year of outflows from emerging markets debt, making the asset class a capital starved segment of the financial markets.
- Limited issuance—Sovereign and corporate issuance ticked up from 2022 but is still well below 2021 levels and the 10-year average.
 - Several countries issued in 2023 included: Mongolia, Turkey, Costa Rica, Uzbekistan, Albania, Jordan and Egypt.

Emerging Markets Debt Bond Flows by Currency Exposure

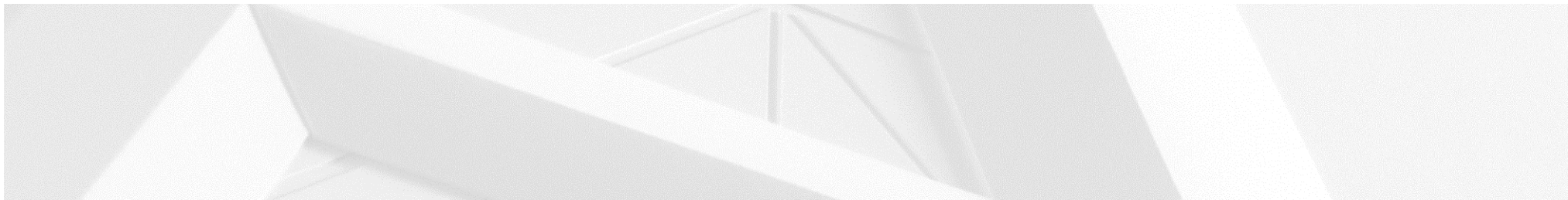


Gross Issuance of External Debt



Source: J.P. Morgan, as of December 27, 2023 (left chart). Bank of America, as of December 31, 2023 (right chart). Hard currencies are globally traded currencies issued by developed nations (e.g., US Dollar) and are generally more stable than local currencies from less developed nations.

Upcoming Election Year 2024



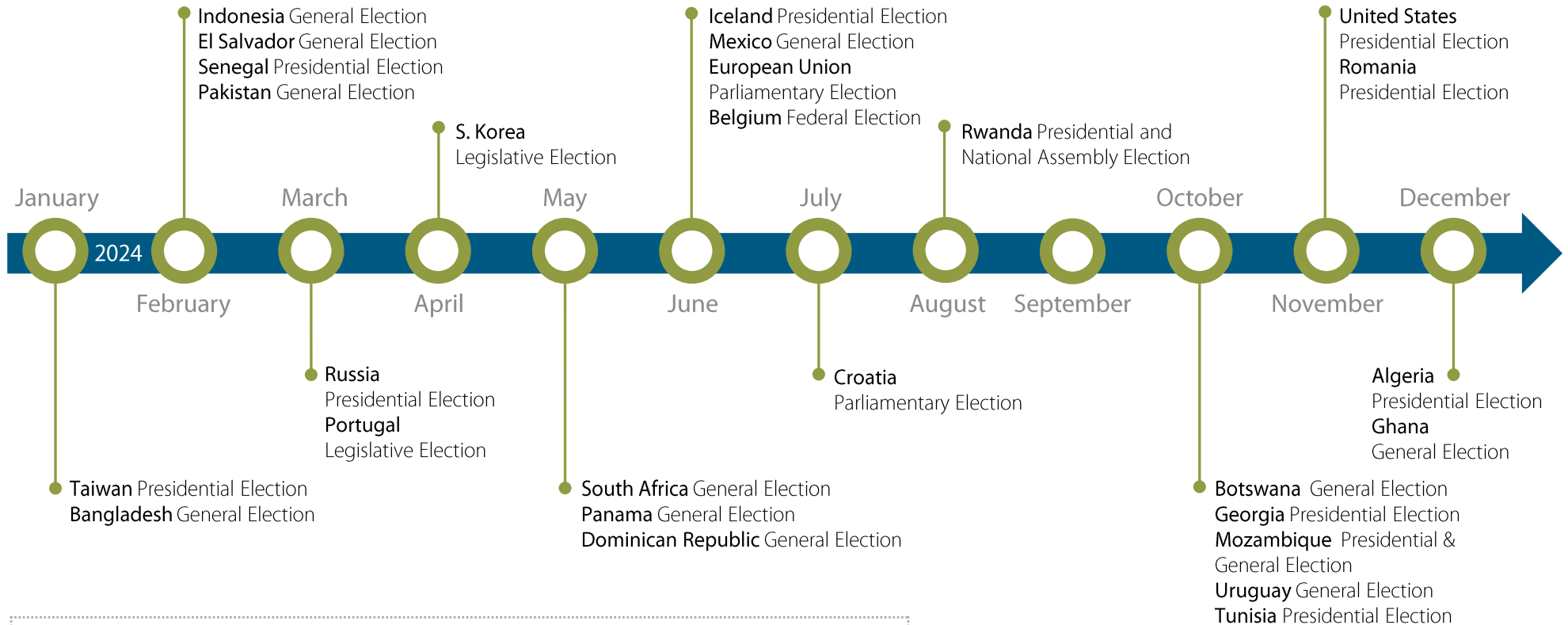
2024 IS EXPECTED TO BE ONE OF THE BIGGEST ELECTION YEARS ON RECORD

- 2024 will be one of the biggest election years on record and comes at a critical time with higher geopolitical uncertainty.
 - Voters representing 41% of the world's population and 42% of global GDP will be going to the polls¹.
- While many emerging countries will be holding elections of their own in 2024, most will also be impacted by the outcome of elections in other countries.
 - The upcoming US presidential election has important implications for the conflict in the Middle East, the on-going war between Russia and Ukraine, and China-Taiwan-US relations going forward.
 - EU Parliamentary Elections in June 2024 will inform the future of EU enlargement and its role in foreign affairs. Rising popularity of the far-right across Europe will likely challenge the EU's current support for Ukraine, climate change, and immigration policies.

WHY ARE ELECTIONS IMPORTANT?

- The EMsights team seeks to identify countries that are undergoing or poised for strong economic growth or structural changes. These policies are often determined by elected officials.
- Elections often bring about inflection points for countries by prompting political, economic, and social reforms.
- These inflection points can lead to ample investment opportunities in the year ahead.
- Argentina serves as a current example of a country going through political and economic reforms following an election. While it is still too early to tell if President Milei's policies will mend the seemingly irreparable economy, his policies reflect a drastic departure from the party that has dominated the country's politics and policies for the better part of the last two decades.

Key Elections & Events



2024 Election Dates To Be Determined

- | | |
|---|--|
| India General Election,
(expected April – May 2024) | Mauritius General Election |
| Sri Lanka Presidential Election,
(expected May—September 2024) | Namibia General Election |
| South Korea Legislative Election | Mongolia Parliamentary Election |
| Venezuela Presidential Election | N. Macedonia Presidential & Parliamentary Election |
| | Moldova Presidential Election |
| | Austria General Election |

Source: Artisan Partners, based on investment team views and opinions. Dates of elections may change.

Key Elections

Indonesia General Election (February 2024)

WHO

- Outgoing president, Jokowi Widodo is ineligible to run for a third term, but has backed his ex-rival, Prabowo Subianto, in a bid to protect his interests. Prabowo is facing off against the PDI-P's Pranawo and Anies, an independent candidate backed by three parties.

WHAT'S AT STAKE

- The elections will be the largest single-day election globally. In a bid to protect his interest and influence, Widodo managed to get his son, 36 year old Gibran, to be Prabowo's running mate, effectively tying his political aspirations to a potential Prabowo administration. Yet, many concerns remain - Prabowo has demonstrated elements of populism and authoritarianism that have made observers uneasy.

EMSIGHTS VIEW

- We expect the Prabowo-Gibran slate to emerge victorious after two rounds of voting.

Senegal Presidential Election (February 2024)

WHO

- Current President Sall's coalition is running with his chosen candidate, Amadou Ba. He is going up against a popular leader, Ousmane Sonko, as well as multiple other opposition candidates.

WHAT'S AT STAKE

- We might see a change in presidency from Sall's coalition to the opposition. Ousmane Sonko is known as a populist candidate with an unclear policy agenda.

EMSIGHTS VIEW

- Amadou Ba's win would be a positive, but what happens with Sonko's ability to run will determine the social climate around the elections.

Source: Artisan Partners, based on investment team views and opinions.

Key Elections

El Salvador General Election (February 2024 / second round in March 2024 if needed)

WHO

- Nayib Bukele is campaigning for reelection despite the constitution barring presidents from serving a second consecutive term.

WHAT'S AT STAKE

- After Bukele was given the green light from the Supreme Court to compete, it seems probable Bukele will win. The people of El Salvador will be subject to another five years of a state of emergency and bitcoin headlines.

EMSIGHTS VIEW

- The 2024 elections are a foregone conclusion, Bukele will remain with a tight grip on power in El Salvador. His high popularity, driven by security success, is the key driver.

India General Election (April / May 2024)

WHO

- Incumbent Prime Minister, Modi, and his ruling BJP are campaigning to be re-elected for a third five-year term.

WHAT'S AT STAKE

- The focus is on immediate aftermath of what is expected to be Modi's last campaign - observers are looking to see who his successor would be. The BJP will be looking to increase their voter share in India's southern states and garner more widespread support for their economic agenda. However, the BJP does not need the southern region, often considered to be the powerhouse of the Indian economy, to win a third consecutive term.

EMSIGHTS VIEW

- The 2024 elections are viewed as a foregone conclusion, with the BJP expected to form the next government. The key factors behind this are Modi's popularity and a still disjointed and weak opposition.

Source: Artisan Partners, based on investment team views and opinions.

Key Elections

South Africa General Election (May 2024)

WHO

- General elections will be held in South Africa in 2024 to elect a new National Assembly.

WHAT'S AT STAKE

- The South African election will be a numbers game (now more so than it has ever been in the country's history). For the first time since independence, the ruling ANC is expected to obtain less than 50% of the vote - the question is just how far below 50% they will fall? A result below 47% will invite the need for the ANC to form a coalition with one of the larger parties.

EMSIGHTS VIEW

- If the ANC obtains less than 50% of the vote, South Africa's political and economic outlook would be clouded even further.

Georgia Presidential Election (October 2024)

WHO

- The current party in power, Georgian Dream, has been in power since 2012 and is seeking to keep their majority in parliament for the fourth straight term.

WHAT'S AT STAKE

- 2020 elections were marked with irregularities and an opposition boycott of the parliamentary process. 2024 elections will show where Georgia stands in terms of democracy and free and fair elections.

EMSIGHTS VIEW

- Georgian Dream will likely win a majority, maybe even a supermajority in the parliament. The opposition is weak, disjointed, and incredible.

Source: Artisan Partners, based on investment team views and opinions.

Key Elections

Ghana General Election (December 2024)

WHO

- The current party in power, NPP is going against opposition NDC in presidential and parliamentary elections.

WHAT'S AT STAKE

- Ghana is currently in restructuring talks with official creditors and Eurobond holders. The next government will have to continue this process, as well as deliver the reforms committed under the IMF program.

EMSIGHTS VIEW

- Opposition NDC will likely win the majority in the parliament. Putting aside policy preferences, this will be better than the current hung parliament.

Outlook



Summary of Key Themes

MACRO OUTLOOK

- The global economy will continue to face challenges in 2024. In recent weeks, markets have begun to price in the sanguine outlook of a soft landing for the economy and cooling inflation. While this is certainly a possible outcome, so too is stronger global growth, stubborn inflation, a meaningful recession and escalated geopolitical conflicts. All these possibilities have a potential to jar markets.
- On the geopolitical front, we expect the two frontline conflicts of Ukraine/Russia and Israel/Hamas and allies to continue. Meanwhile tensions in the Taiwan Straights will remain elevated.
- We also expect to see more stresses and conflicts emerge from long-standing regional tensions as the superpowers are occupied with their geopolitical priorities. EM investors must be on alert for many flashpoints including:
 - Azerbaijan and Armenia
 - Serbia and Kosovo
 - Venezuela and Guyana
 - DRC and Rwanda
 - Georgia and Russia via Abkazia and South Ossetia
- Additionally, 2024 has a busy election calendar (see Upcoming Election Year 2024 pages 18-24). The US presidential election is notable for many EM countries as a new administration can bring about meaningful changes in foreign and trade policies.

Summary of Key Themes

EMD OUTLOOK

- Turning towards EM, there are several positive tailwinds likely to play out:
 - After two dismal years for EM fund flows, flows will likely stabilize and possibly even turn positive.
 - Official sector support for EM countries will likely continue to be strong, filling in gaps left by the private sector.
 - Kenya, Tunisia and Pakistan will be key countries to watch in this space.
 - Inflation in EM countries looks set to continue its decline and fiscal policy in many countries will consolidate.

- Overall, we are constructive on the EMD asset class looking into 2024 but continue to advocate for a cautious, risk aware approach.
 - We see the best opportunities in sovereign and corporate credit. Specifically, the high yield segment of EM sovereign credit (page 35).
 - We are neutral on EM local assets after a strong late year rally. However, performance of EM currencies was mixed in 2023 and there were numerous devaluations that present opportunities for the future (page 30).

Risk Factor	Outlook
Rates	Neutral
FX	Neutral
Sovereign Credit	High Yield Attractive
Corporate Credit	Attractive

Source: Artisan Partners, based on investment team views and opinions.

Summary of Key Themes

EMD OUTLOOK

- At the country level, there is a rich opportunity set with countries facing vastly divergent fundamentals and paths.
- **Latin America**
 - Ecuador and Bolivia face increasingly acute financial troubles. Without policy changes the prospects of a sovereign default will continue to rise.
 - Bahamas, Jamaica, and Dominican Republic are poised for a continued positive upswing from a strong tourism sector and increased capacity related to investments the last few years.
- **Eastern Europe**
 - Renewed interest in EU integration will remain popular, especially for the Balkan countries. We will also continue to watch how Hungary's relation with the EU evolves.
 - Recovering growth and continued fiscal stimulus will be an important theme for Central European countries.
 - Central Asian countries will continue along their reform path.
- **Middle East**
 - Growth contraction and fiscal deficits will be a theme in 2024 on the heels of fiscal expansion plans, lower prices, and OPEC quota cuts.
 - Turkey's renewed embrace of orthodox economic policies was a welcomed event by investors. Questions linger if this will continue past the local elections in March. We expect continuity but we also don't question President Erdogan's ability and willingness to shift policy quickly.

Source: Artisan Partners, based on investment team views and opinions.

Summary of Key Themes

EMD OUTLOOK (continued)

▪ Sub Saharan Africa

- South Africa faces a pivotal year with its upcoming election. The country's foreign policy orientation towards Russia and China will continue to attract negative attention and impact financial markets.
- Kenya has \$2B USD of Eurobonds maturing in June. While the expectation is that this will be repaid, concerns linger. The passing of this event will be a positive catalyst for the country and government.

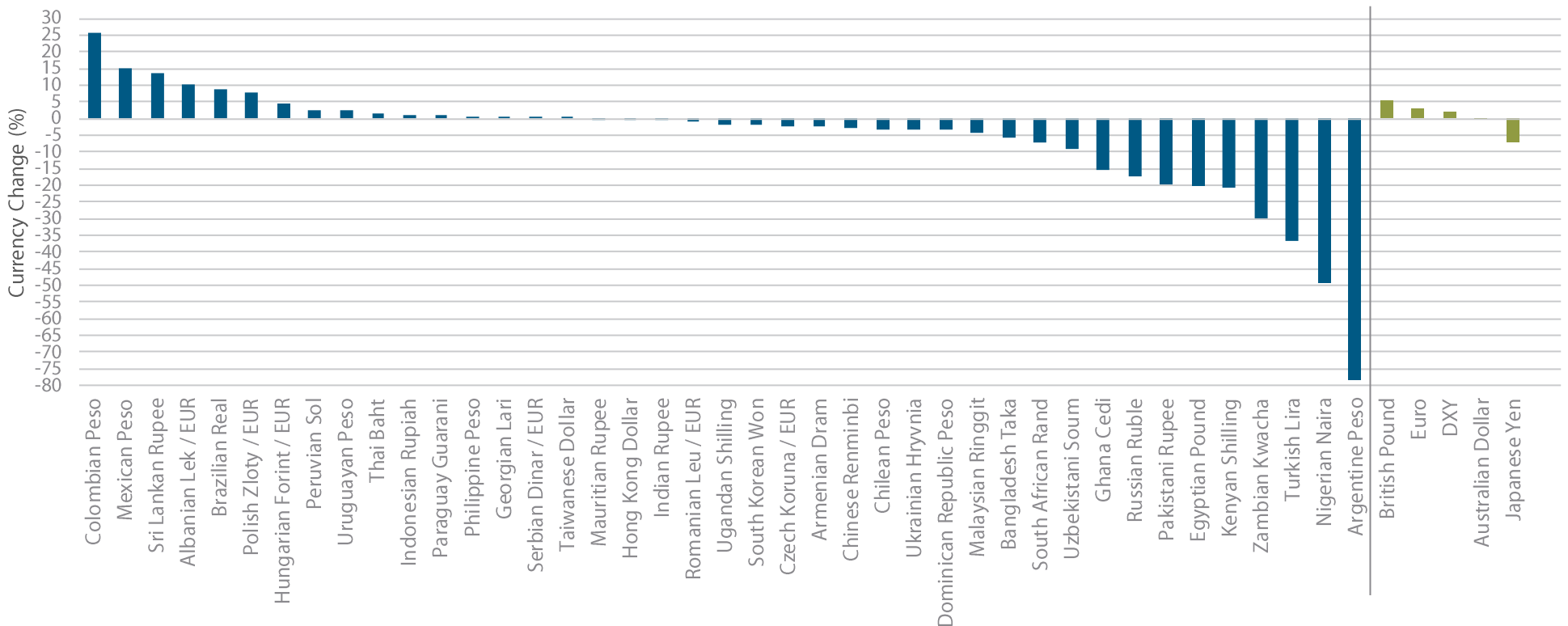
▪ Asia

- In China, where growth is poised to slow, property sector woes show little sign of abating despite a relaxation of real estate restrictions and monetary policy easing. The central government looks set to lean more heavily on fiscal policy to support growth and shore up stressed local government finances in 2024.
- In Pakistan, the combination of limited financing options and a low appetite for default will force the incoming government to seek continued IMF financial support beyond the existing SBA.
- A less hawkish Fed and return of inflation to the lower end of the Bank of Indonesia's target make policy rate cuts increasingly likely in Indonesia.

Foreign Exchange—It Was a Mixed Year For EM FX

- Several currencies from countries with weak macroeconomic fundamentals struggled, though there were places to hide within EM FX in 2023.
- Through the accumulation of macro pressures and FX policy changes, significant selloffs occurred in Argentina, Nigeria, Turkey, Zambia, Pakistan, Egypt and Kenya.
- We expect these selloffs to continue in 2024 and set up potential investment opportunities.

1 Year Spot Change

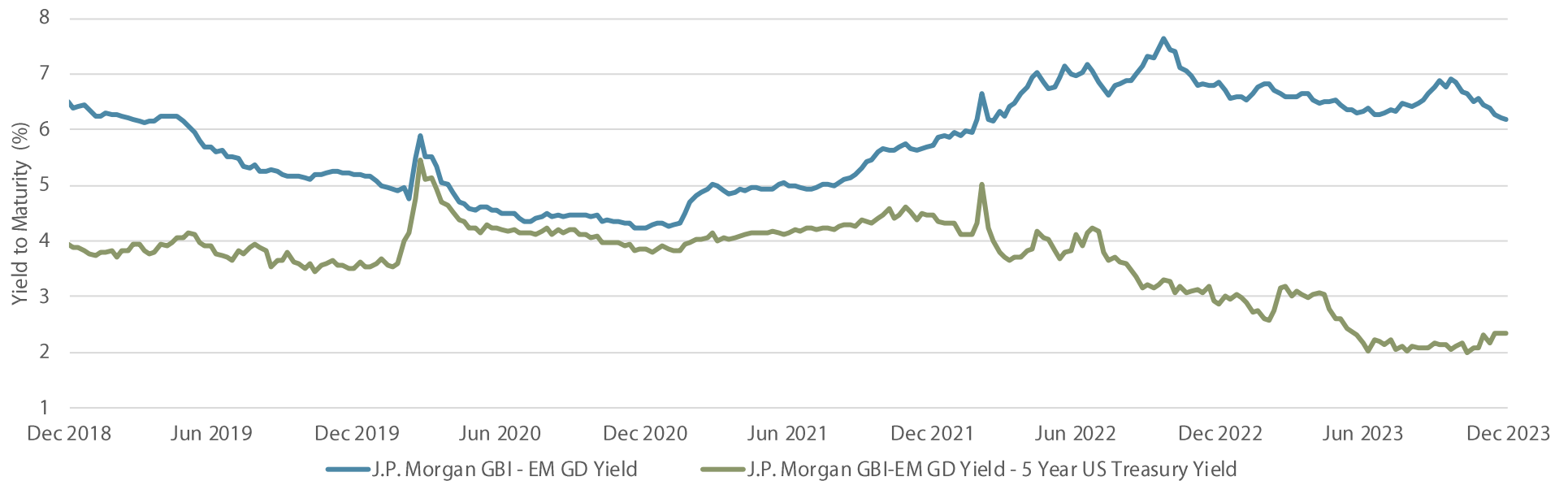


Source: Bloomberg. As of December 31, 2023. Illustrates the change of each currency's relative exchange rate change to USD (except those noted as compared to EUR). All currencies shown are indexed to USD except those noted as EUR. Past performance does not guarantee and is not a reliable indicator of future results.

EM Rates Are Whatever You Want Them To Be—Cheap, Rich or Fairly Valued

- The opportunity in EM rates is in the eye of the beholder. They reflect the widely varying dynamics across regions, countries and the variety of inflation expectations by investors.
- EM yields on local debt have risen to levels that look attractive on the surface, but the backup in yields moved in lock-step with global rates.
- The interest rate differential between EM rates and US treasuries has significantly declined since late 2021 and is now slightly above 200 bps.
- But the regional differences in yields are meaningful and reflect divergent inflation dynamics and investor bases (next page).

J.P. Morgan GBI-EM Global Diversified Yield (%)

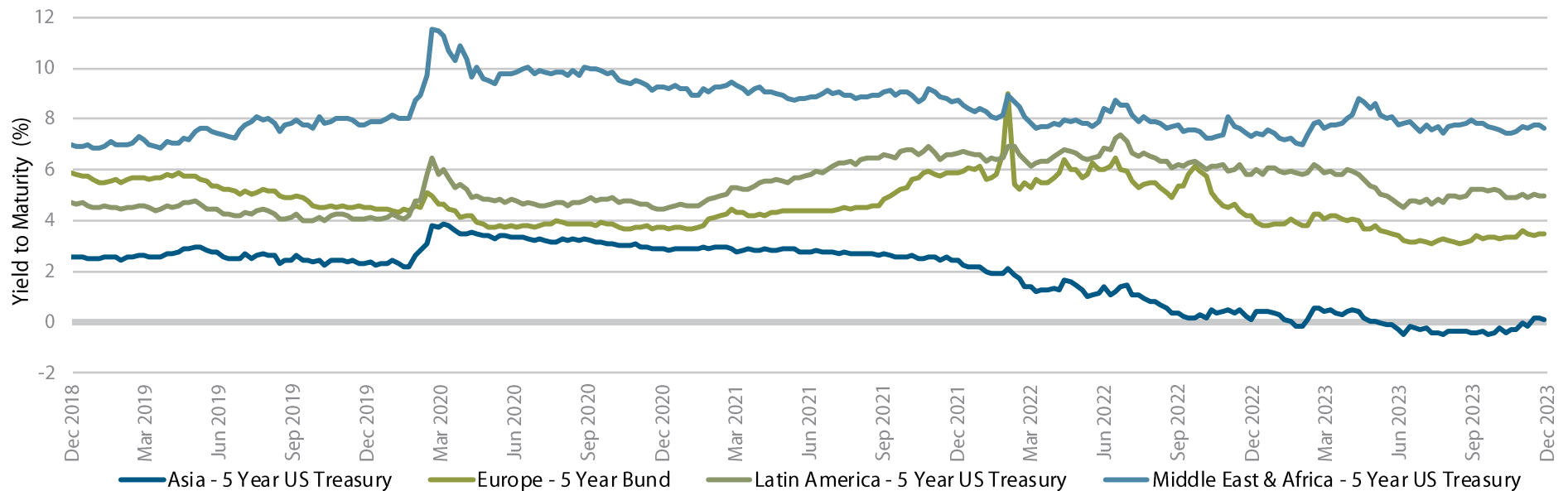


Source: J.P. Morgan. As of December 31, 2023. Past performance is not indicative of future results. Includes current and prior countries within the GBIEMGD Index as reported by the J.P. Morgan Government Bond Index:Emerging Market Global Diversified calculated at equal weights. The JPM Government Bond Index:Emerging Market Global Diversified (GBIEMGD) is an index of local currency bonds with maturities of more than one year issued by EM government.

Regional Differences Dominate

- When looking at regional yields against the relevant developed market reference point, rates in Asia stand out as being the lowest.
- Remarkably, relative yields in Asia are below US treasuries. This hardly seems sustainable given the current international monetary system. However, there are stresses in this system and geopolitics are in a particularly dynamic state.
- Of course, the situation could also simply resolve itself through lower US treasury yields or higher yields in Asia.
- Ultimately, EM rates will be driven by US treasury performance in 2024.

J.P. Morgan GBI-EM Global Diversified Regional Local Yields vs. Relevant Base Rates



Source: J.P. Morgan. As of December 31, 2023. Past performance is not indicative of future results. Includes current and prior countries within the GBIEMGD Index as reported by the J.P. Morgan Government Bond Index-Emerging Market Global Diversified calculated at equal weights. The JPM Government Bond Index-Emerging Market Global Diversified (GBIEMGD) is an index of local currency bonds with maturities of more than one year issued by EM government.

Current and Prospective Real Yields

- Rates look most attractive in Latin America where real rates are high based on current inflation rates and consensus forecasts.
- Rates in Central Europe are highly dependent on a strong disinflationary trend.

Current and Prospective Real Yields – Major EM Economies

	Current Reference Rate (%)	Current Inflation Rate (%)	Current Real Yield	1 Year Inflation Forecast	Prospective Real Yield in 1 Year
Latin America					
Mexico	11.3%	4.3%	6.9%	4.1%	7.2%
Brazil	11.8%	4.7%	7.1%	3.9%	7.9%
Chile	8.3%	4.8%	3.5%	3.5%	4.8%
Colombia	13.0%	10.2%	2.9%	6.3%	6.7%
Peru	6.8%	3.2%	3.5%	3.0%	3.8%
Central & Eastern Europe					
Poland	5.8%	6.6%	-0.9%	5.2%	0.6%
Hungary	10.8%	7.9%	2.9%	5.0%	5.8%
Czech Republic	6.8%	7.3%	-0.5%	2.5%	4.3%
Romania	7.0%	6.7%	0.3%	5.8%	1.2%
Asia					
China	4.4%	-0.5%	4.9%	1.4%	3.0%
India	6.5%	5.6%	1.0%	5.4%	1.1%
Indonesia	6.0%	2.6%	3.4%	3.0%	3.0%
Malaysia	3.0%	1.5%	1.5%	2.5%	0.5%
Thailand	2.5%	-0.4%	2.9%	1.9%	0.6%
Sub-Saharan Africa					
South Africa	8.3%	4.5%	3.8%	5.1%	3.2%
Egypt	19.3%	34.6%	-15.4%	26.9%	-7.7%
Nigeria	18.8%	24.1%	-5.4%	24.4%	-5.7%

Source: Bloomberg. As of December 31, 2023. Reference rate refers to the applicable central bank policy rate. Current Inflation Rates reflects year over year CPI measures and are as of November 30, 2023 except for Peru which is as of December 31, 2023. 1-year inflation forecasts are a collection of sell-side forecasts compiled by Bloomberg as of January 1, 2024. Prospective Real Yield calculated based on current reference rate and forecasted inflation rate in 1 year.

Sovereign Credit

- Sovereign spreads are at elevated levels compared to the previous 15 years.
- Spreads are reflective of macro challenges and stress in the asset class. We expect this situation to continue over the near-term.
- Dynamics within the asset class are notable. The high yield segment of the market is driving spreads wider while investment grade spreads remain steady.

J.P. Morgan EMBI Global Diversified Spread

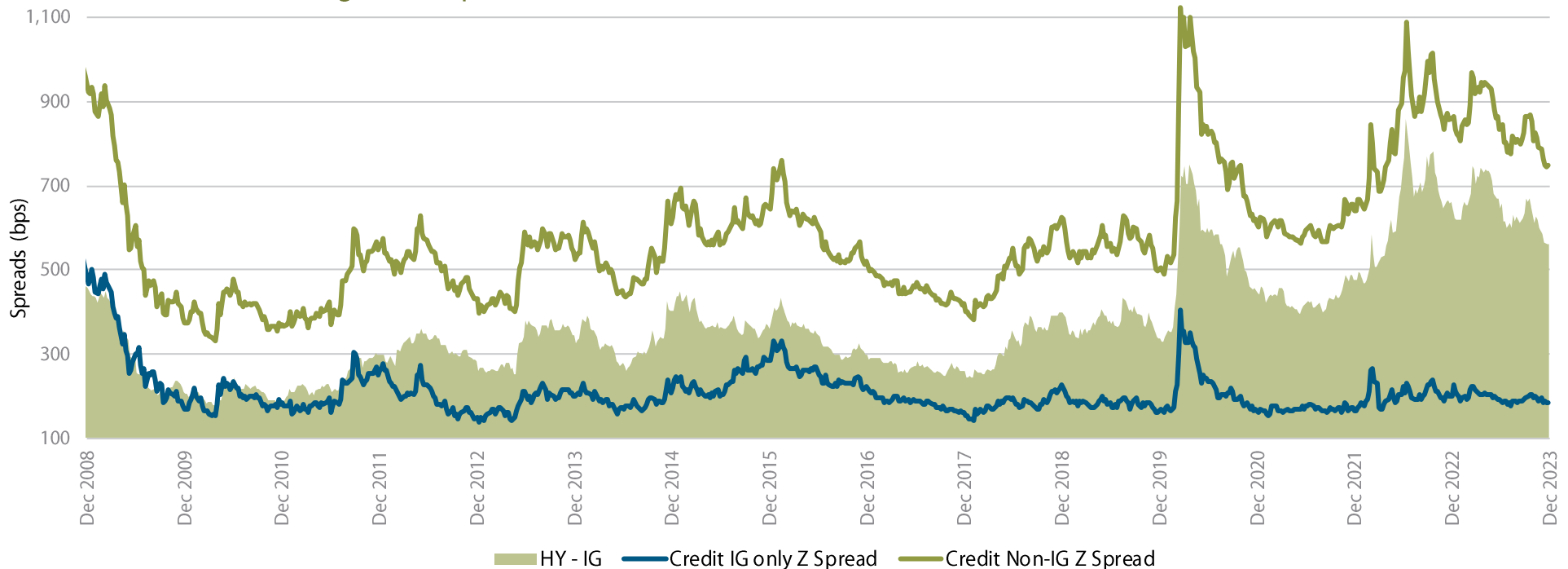


Source: J.P. Morgan. As of December 31, 2023. The J.P. Morgan Emerging Markets Bond Index-Global Diversified (EMBIGD) is an index of USD-denominated bonds with maturities of more than one year issued by EM governments.

Sovereign Credit

- The differential between high yield (HY) and investment grade (IG) sovereign spreads is near historic wide levels.
- Both HY and IG spreads appear to be mispriced.
 - IG spreads are too tight. There is simply not enough compensation for lingering macro risks and market volatility.
 - HY sovereigns have largely been locked out of the market and the demand for these bonds is minimal.
- While this is warranted for some HY credits, there has been a lack of differentiation. Investors must be selective in HY; there have been defaults and more will be coming.
 - Our default watch list for 2024 includes: Ukraine, Tunisia, Ecuador to name a few.

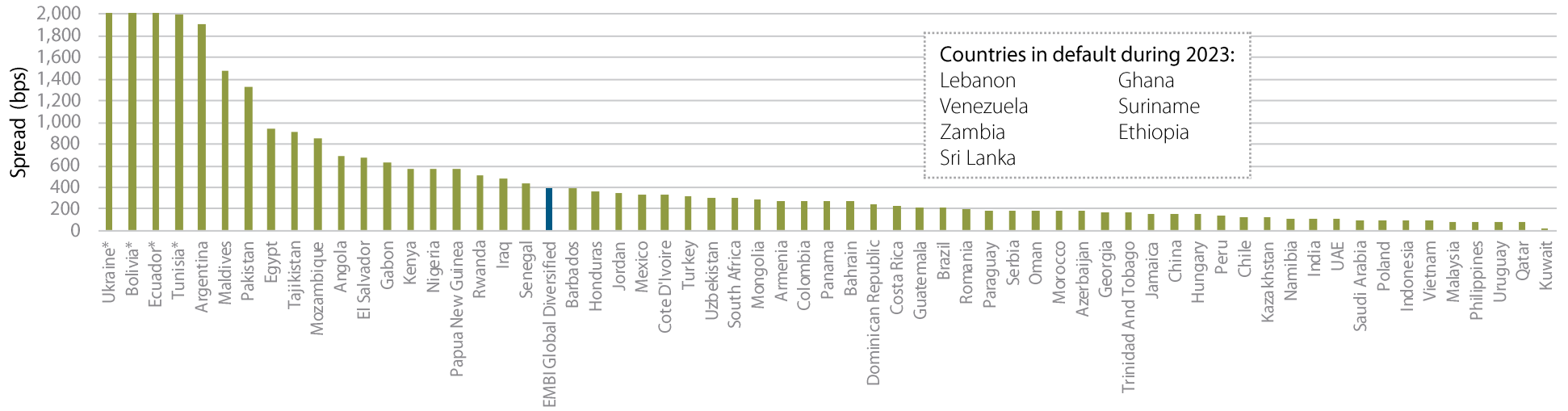
J.P. Morgan EMBI Global Diversified Investment Grade and High Yield Spreads



Source: J.P. Morgan. As of December 31, 2023. The J.P. Morgan Emerging Markets Bond Index-Global Diversified (EMBIGD) is an index of USD-denominated bonds with maturities of more than one year issued by EM governments.

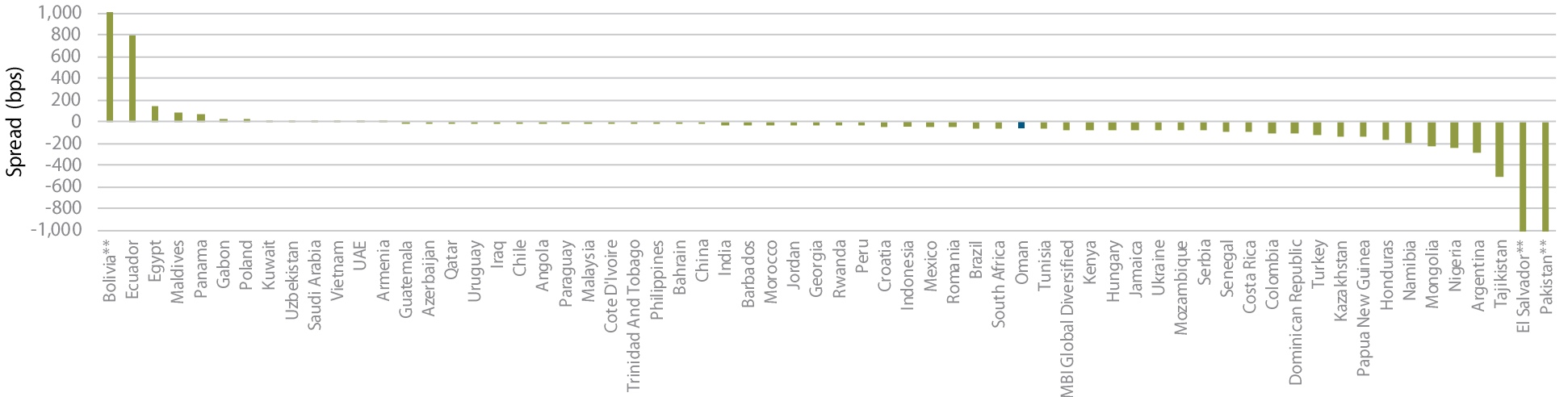
Spread Levels Vary Widely

Spread (bps)



Countries in default during 2023:
 Lebanon
 Venezuela
 Zambia
 Sri Lanka
 Ghana
 Suriname
 Ethiopia

2023 Change in Spread (bps)

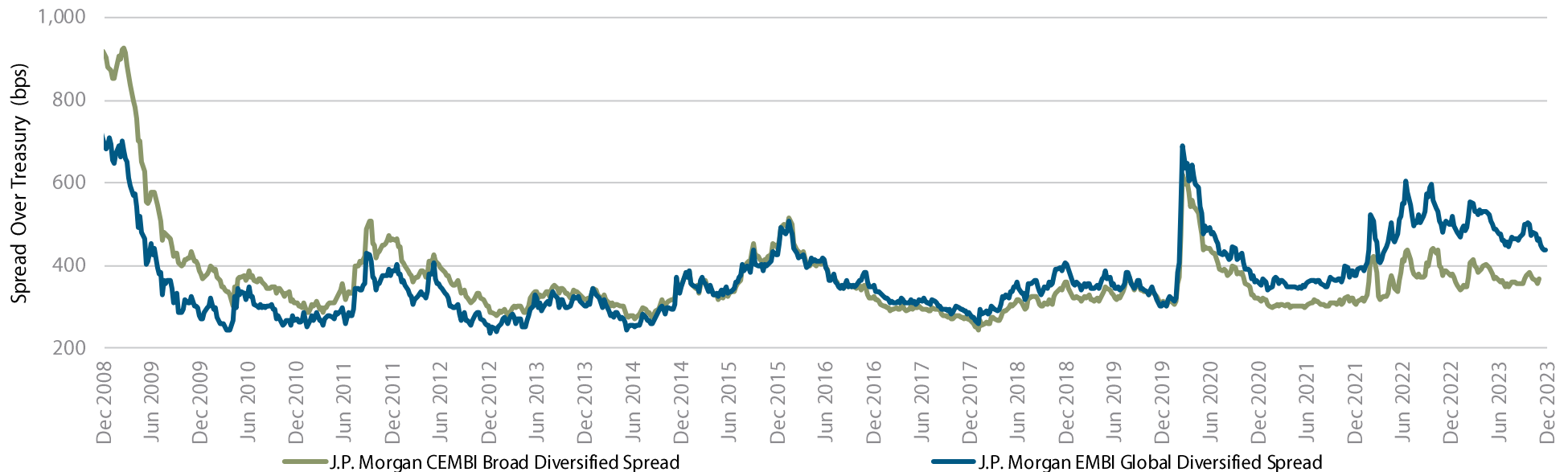


Source: J.P. Morgan. As of December 31, 2023. The J.P. Morgan Emerging Markets Bond Index-Broad Diversified (EMBIGD) is an index of USD-denominated bonds with maturities of more than one year issued by EM governments. Croatia change in spread reflects the period from 12/31/2022 to 6/30/2023, when the country was removed from the index.
 *Indicates country spread is wider than 2,000 bps
 **Indicates spread widened or tightened by more than 1,000 bps

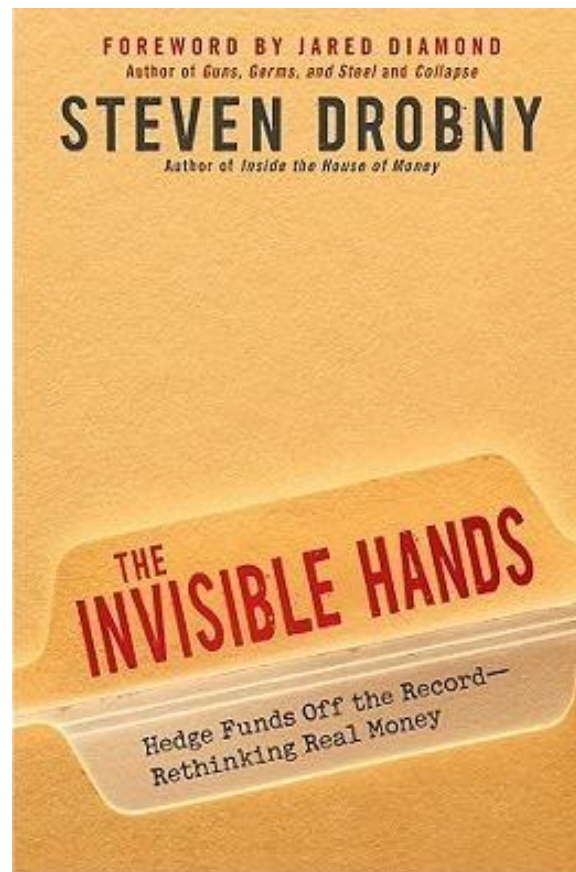
Credit Spreads Remain Steady

- J.P. Morgan CEMBI Broad Diversified Spreads have remained steady while J.P. Morgan EMBI Global Diversified spreads have widened.
- The CEMBI Broad Diversified index has changed substantially in the last two years as Russian corporates have fallen out of the index, Chinese property developers have defaulted, and many HY issuers have been perceived to be shut out of the market.
- This has resulted in an index that is:
 - Smaller and more concentrated
 - Higher quality (market cap of CEMBI HY has fallen by 29% while CEMBI IG has fallen by only 14%)
 - Substantially shorter duration (HY duration has fallen from 4.0 years to 3.3 years, a 17% decline)
- Index-level spreads hide differentiation at the security level. The variety of issuers provides access to different and specific risk factors:
 - The CEMBI has 736 distinct issuers from 59 countries bucketed into 12 different sectors
 - 18 countries have a single corporate issuer, while there are 16 countries have at least one industry with 5 or more issuers

J.P. Morgan CEMBI Broad Diversified Index Spreads

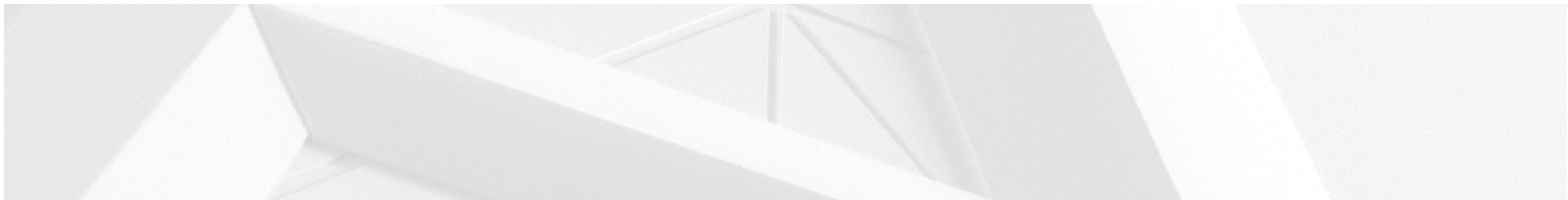


Source: J.P. Morgan. As of December 31, 2023. The J.P. Morgan Corporate Emerging Markets Bond Index-Broad Diversified (EMBIGD) is an index of USD-denominated bonds with maturities of more than one year issued by EM governments.



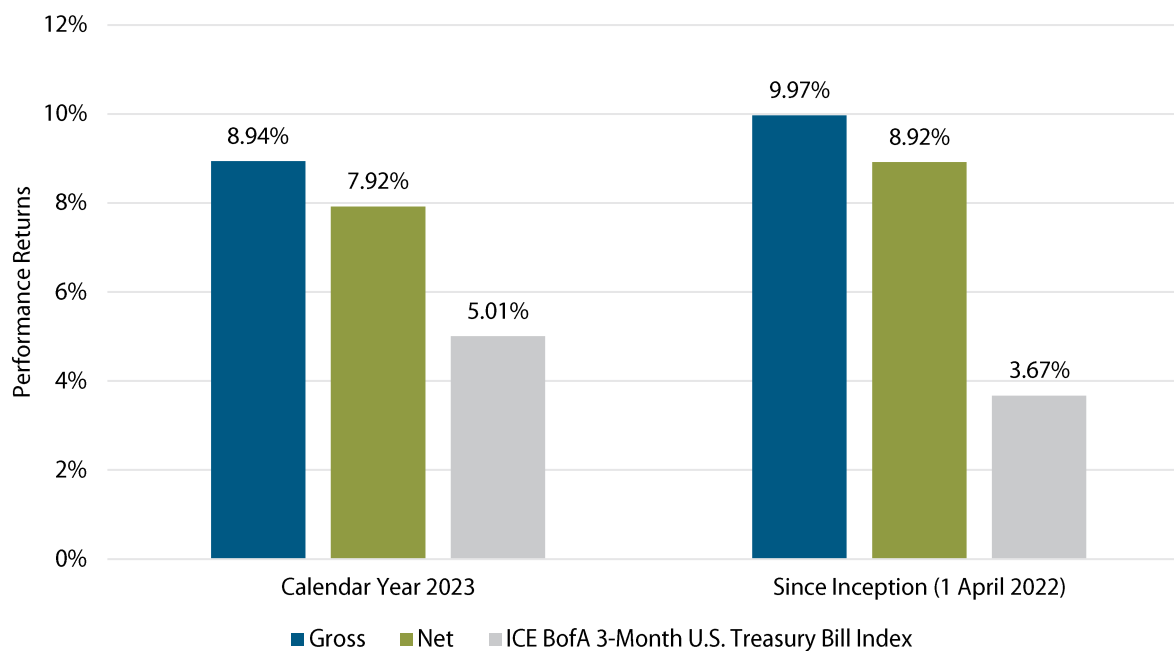
Author: Drobny, Steven. *The Invisible Hands. Hedge Funds Off the Record— Rethinking Real Money*. Wiley, 2010.

Performance and Positioning



Performance

Artisan Global Unconstrained Strategy Performance



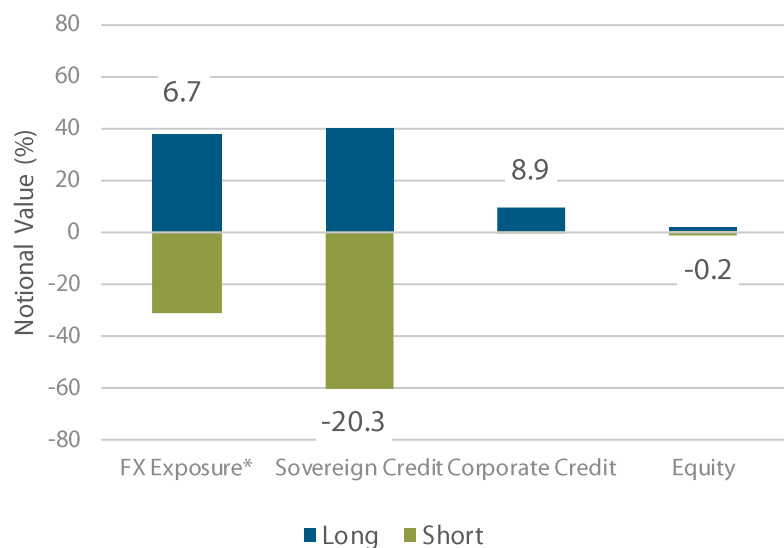
Calendar Year 2023 Contributors:
 Long Dominican Republic local rates*
 Short Bolivia credit
 Long Serbia credit

Calendar Year 2023 Detractors:
 Brazilian corporate credit
 Long Mexican local rates
 Short Turkish sovereign credit

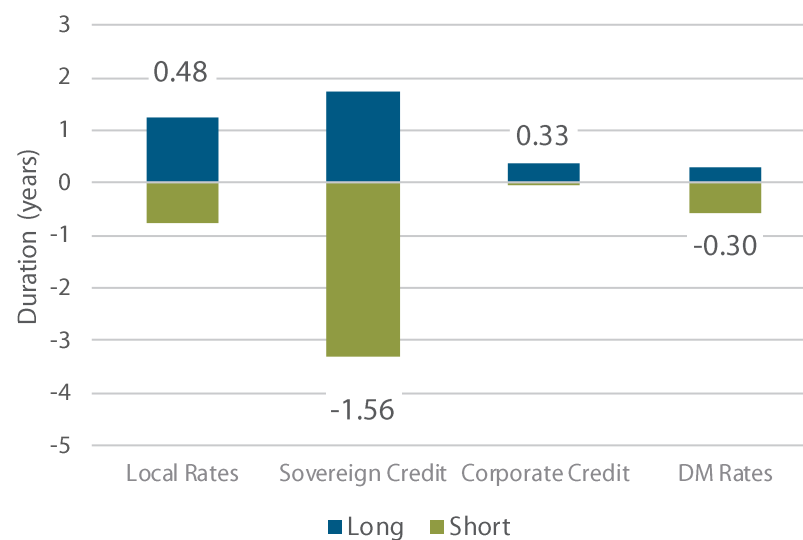
Source: Artisan Partners/ICE BofA. As of 31 December 2023. **Past performance does not guarantee and is not a reliable indicator of future results.** Gross- and net-of-fees performance shown for the Artisan Global Unconstrained Composite. Returns greater than one year are annualized. Current performance may be lower or higher than that shown. Contributors and Detractors represent allocations to factors that contributed the most, positively or negatively, respectively, to the portfolio's return for the period. For specific vehicle performance, refer to the factsheets. *Factors related to establishing a Dominican Republic local rates position.

Exposure – Global Unconstrained

Asset Type —Net (%)



Duration Exposure—Net (%)



Risk Factor	January 1, 2023	December 31, 2023	2023 Change
	Net (%)	Net (%)	
FX Exposure*	12.1	6.7	-5.4
Sovereign Credit	2.0	-20.3	-22.3
Corporate Credit	11.8	8.9	-2.8
Equity	-1.3	-0.2	1.1

Risk Factor	January 1, 2023	December 31, 2023	2023 Change
	Net (%)	Net (%)	
Local Rates	0.09	0.49	0.39
Sovereign Credit	-0.82	-1.56	-0.74
Corporate Credit	0.32	0.32	0.01
DM Rates	-0.20	-0.30	-0.10

Source: Artisan Partners. As of 31 December 2023. Based on a representative account. *FX Exposure excludes hard currencies and reflects Market Value (%). Sovereign and corporate credit are the sums of the notional exposure; notional bonds and derivatives (CDS).

Performance Statistics—Since Inception (USD)

Artisan Global Unconstrained Strategy

Risk/Return Statistics	Portfolio
Return (% Net)	8.92
Excess Return (% Net)*	5.26
Sharpe Ratio	1.91

Strategy vs.	S&P 500®	ICE BofA US High Yield	US Treasury 10 Yr	Bloomberg Brent Crude	EUR / USD Exchange
Beta	0.03	0.05	-0.03	-0.01	0.05
Correlation	0.19	0.18	-0.11	-0.09	0.15

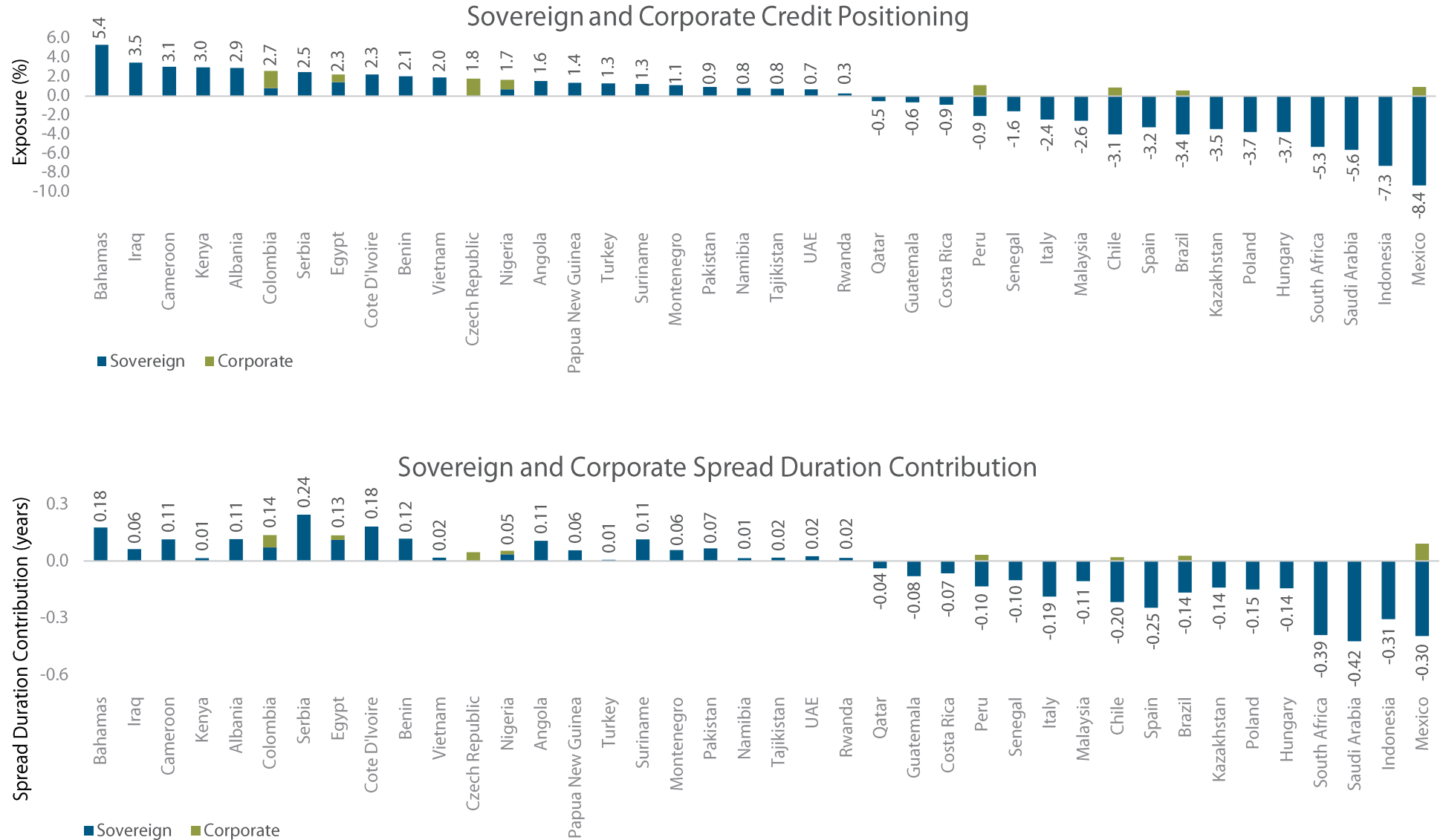
Source: Artisan Partners/S&P/ICE BofA/Bloomberg. As of 31 Dec 2023. Composite inception: 1 Apr 2022. **Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown.** Statistics are based on monthly net returns of the Artisan Global Unconstrained Composite. Returns are annualized. Risk/Return Statistics based on shorter time periods are subject to increased variation and may not be reflective of longer-term averages. Sharpe Ratio risk-free proxy is ICE BofA 3-month US Treasury bill. *vs. ICE BofA 3-Month Treasury Bill Index.

Portfolio Characteristics

Portfolio Statistics ¹				Portfolio				
Yield to Worst				9.90%				
Effective Duration (years)				0.18				
Spread Duration (years)				-1.14				
				Average Rating				
				BBB-				
				IG / HY / Not Rated Composition (%) ²				
				38 / 50 / 12				
				Number of Issuers ³				
				95				
Asset Types (%)				Long	Short	Net		
Sovereign Credit ⁴				40.0	-60.3	-20.3		
Corporate Credit ⁴				9.6	-0.6	8.9		
FX Exposure ⁵				38.3	-31.6	6.7		
Equity ⁶				1.5	-1.7	-0.2		
Foreign Currency Exposures by Region—Net (%) ⁷				Portfolio				
Asia				-1.5				
Developed Markets				-16.3				
Eastern Europe				25.4				
LATAM				3.0				
MENA				0.0				
Sub-Saharan Africa				-4.0				
TOTAL				6.7%				
Duration Exposures (years)				Long	Short	Net		
EM Local Rates				1.25	-0.77	0.49		
DM Rates				0.29	-0.59	-0.30		
Corporate Credit ⁴				0.35	-0.02	0.32		
Sovereign Credit ⁴				1.74	-3.30	-1.56		
Credit Exposures by Region—Net (%) ⁸				Portfolio				
Asia				-5.5				
Developed Markets				-5.7				
Eastern Europe				-0.4				
LATAM				-8.1				
MENA				0.4				
Sub-Saharan Africa				7.9				
TOTAL				-11.4%				
Top 5 Long Foreign Currency Exposures—Net (%) ⁹		Portfolio	Top 5 Long Interest Rate Exposures by Country—Net (years) ¹⁰		Portfolio	Top 5 Long Credit Currency Exposures—Net (%) ¹¹		Portfolio
Iceland Krona		6.0	Peru		0.25	Bahamas		5.4
Hungarian Forint		5.0	Serbia		0.25	Iraq		3.5
Uzbekistan Sum		5.0	Indonesia		0.24	Cameroon		3.1
Kazakhstan Tenge		4.0	India		0.19	Kenya		3.0
Serbian Dinar		3.7	Iceland		0.08	Albania		2.9
TOTAL		23.7%	TOTAL		1.00	TOTAL		17.9%

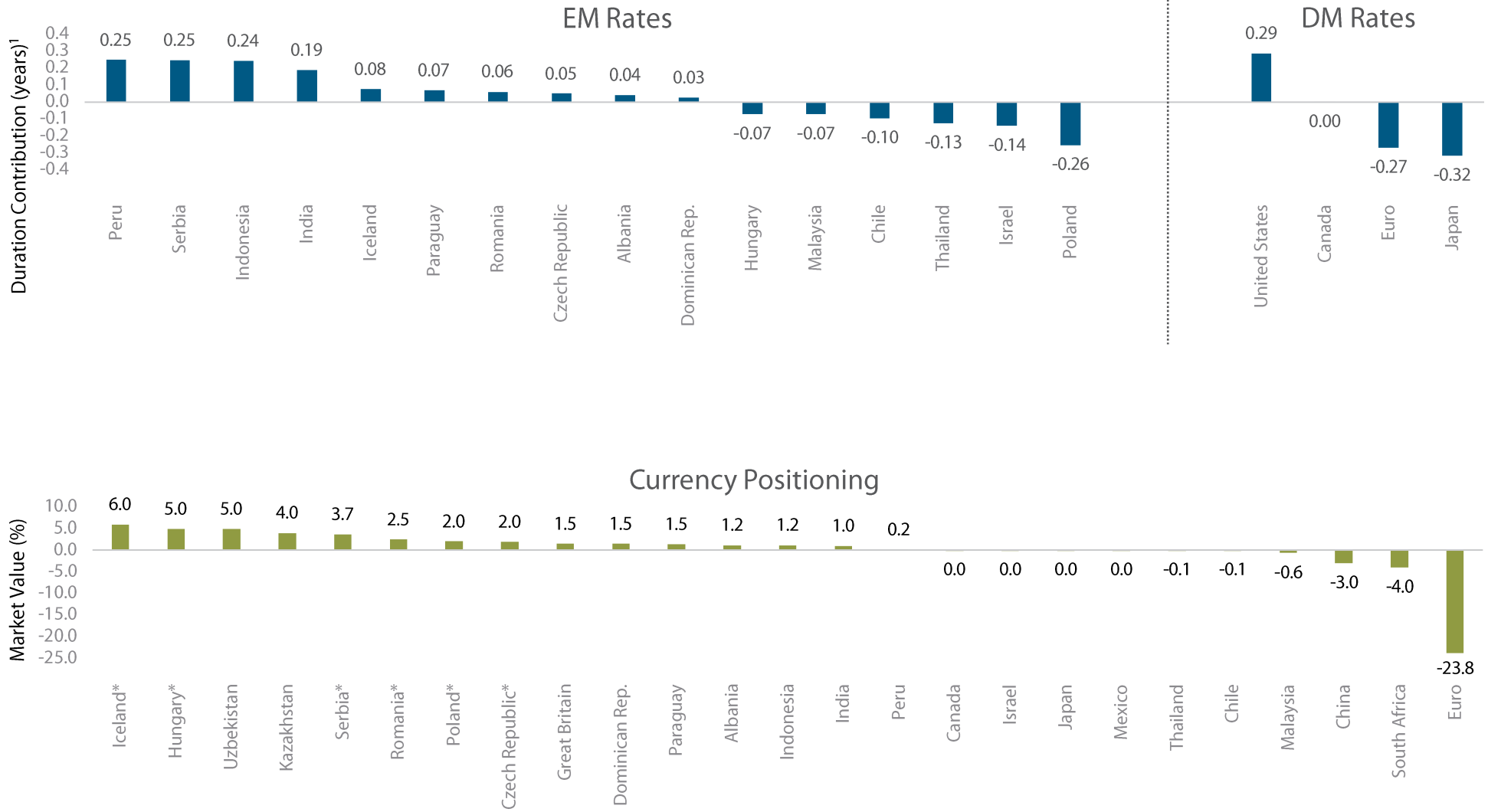
Source: Artisan Partners/L.P. Morgan. As of 31 Dec 2023. Based on a representative account. Portfolio exposures presented exclude US Treasuries, USD-denominated derivatives, USD and cash equivalents, unless otherwise noted. In aggregate, these instruments make up a material portion of the portfolio, and may be impactful to its return, but typically are utilized for liquidity management and reflect negative exposures due to currency offsets when funding non-US positions. ¹Based on market value of the total portfolio, including US securities, cash and cash equivalents. ²Not Rated includes unrated positions, derivatives and cash equivalents. ³Equals 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. ⁴Reflects credit positions payable in hard currencies, including notional exposure of derivative positions. ⁵Reflects aggregate net exposure to currencies, including market value of derivative positions. ⁶Reflects notional value. ⁷Reflects exposures from positions denominated in regional currencies, including market value of derivative positions. ⁸Reflects exposures for regionally domiciled positions denominated in hard currencies, including notional value of related derivatives. ⁹Reflects aggregate net exposure to currencies, including market value of positions. ¹⁰Reflects the contribution to duration from securities and other instruments issued in local currencies, excluding short-term currency forwards and hard currency instruments. ¹¹Reflects the country of domicile for aggregated portfolio securities denominated in hard currencies.

Positioning—Sovereign and Corporate



Source: Artisan Partners. As of 31 Dec 2023. Based off a rep account. Portfolio exposures presented exclude US Treasuries, USD-denominated derivatives, USD and cash equivalents, unless otherwise noted. Sovereign and Corporate Credit reflect positions payable in hard currencies, including notional exposure of derivative positions.

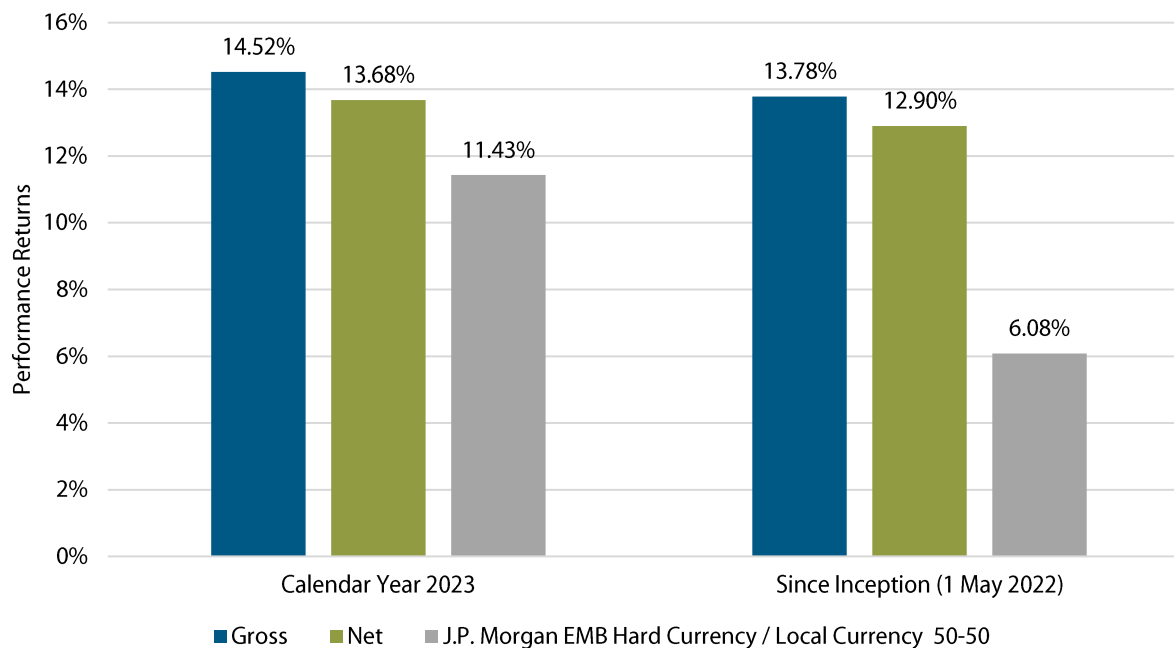
Positioning—Rates and Currency



Source: Artisan Partners. As of 31 Dec 2023. Based on a rep account. Portfolio exposures presented exclude US Treasuries, USD-denominated derivatives, USD and cash equivalents, unless otherwise noted. ¹Based on notional value of total portfolio securities. *Countries whose currencies are typically traded versus the Euro.

Performance

Artisan Emerging Markets Debt Opportunities Strategy



Calendar Year 2023 Contributors:

- Overweight Dominican Republic currency and local rates position*
- Overweight Serbian sovereign credit
- Overweight Romanian local rates and sovereign credit

Calendar Year 2023 Detractors:

- Overweight Mexican local rates and currency
- Brazilian corporate credit
- Underweight Polish local rates and currency

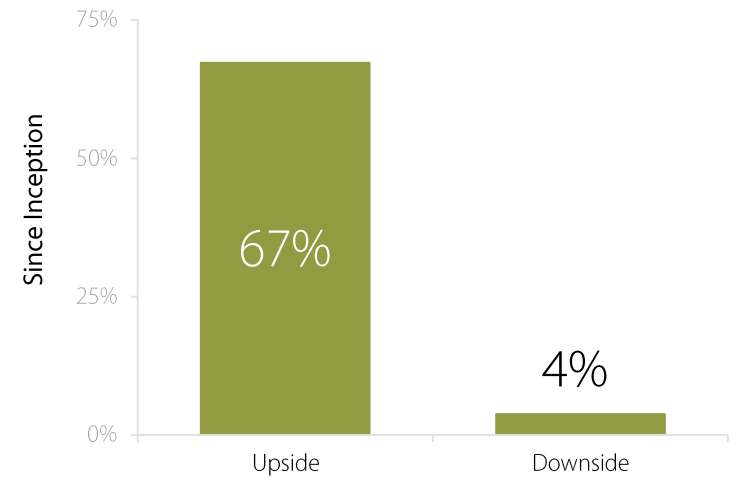
Source: Artisan Partners/JPM. As of 31 December 2023. **Past performance does not guarantee and is not a reliable indicator of future results.** Gross and net-of-fees performance shown for the Artisan Emerging Markets Debt Opportunities Composite. Returns greater than one year are annualized. Current performance may be lower or higher than that shown. Contributors and Detractors represent allocations to factors that contributed the most, positively or negatively, respectively, to the portfolio's relative return for the period. For specific vehicle performance, refer to the factsheets. *Factors related to establishing a Dominican Republic local rates position.

Performance Statistics—Since Inception (USD)

Artisan Emerging Markets Debt Opportunities Strategy vs. J.P. Morgan EMB Hard Currency / Local Currency 50/50 Index

Risk/Return Statistics	Portfolio	Index
Return (% Net)	12.90	6.08
Excess Return (% Net)	6.83	—
Information Ratio	1.13	—
Beta	0.50	—
Correlation	0.85	—

Up/Down Market Capture (%)



Source: Artisan Partners/J.P. Morgan/S&P/ICE BofA/Bloomberg. As of 31 Dec 2023. Composite inception: 1 May 2022. 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. Statistics and capture ratios are based on monthly net returns of the Artisan Emerging Markets Local Opportunities Composite. Up/Down Market Capture measures a manager's ability to generate excess returns above the benchmark when it's positive-upside greater than 100-and come down less than the benchmark when it's negative-downside less than 100. Returns are annualized. Risk/Return Statistics based on shorter time periods are subject to increased variation and may not be reflective of longer-term averages.

Portfolio Characteristics

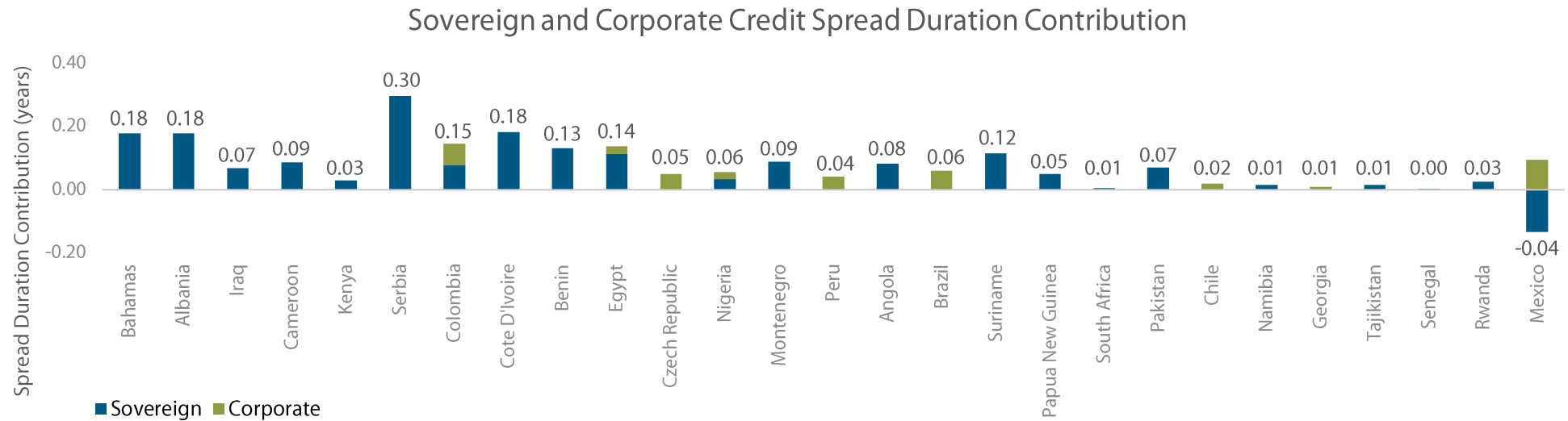
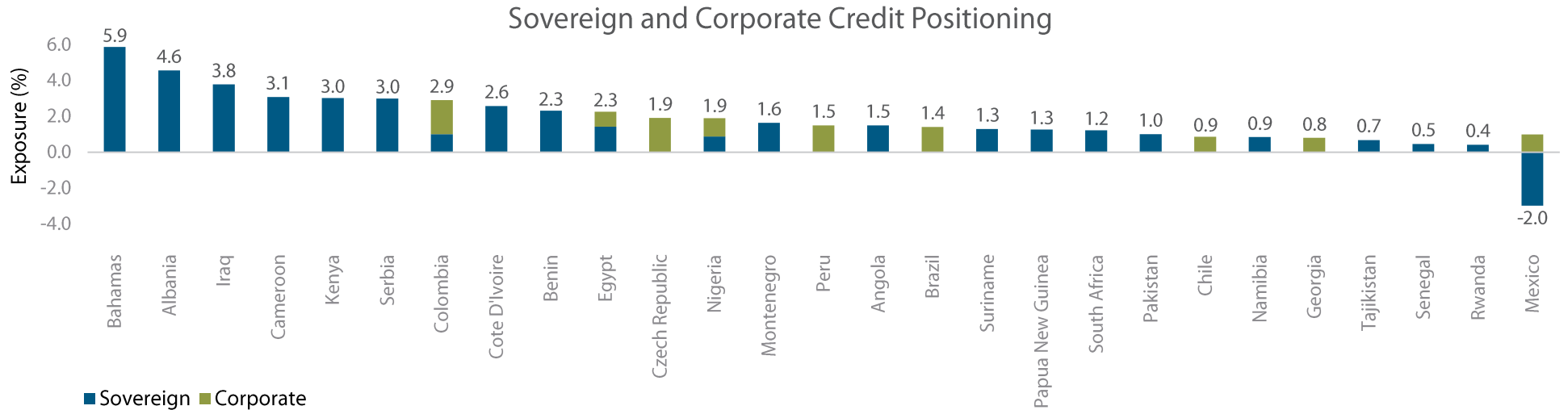
Portfolio Statistics ¹			Asset Types (%)		
	Portfolio	Index ²		Portfolio	Index ²
Yield to Worst	11.11%	6.81%	EM Sovereign Credit ⁵	38.9	20.3
Effective Duration (years)	2.68	5.26	EM Corporate Credit ⁵	11.3	29.5
Spread Duration (years)	2.25	2.84	EM FX Exposure ⁶	56.8	50.1
Average Rating	BB	BBB			
IG/HY/Not Rated Composition (%) ³	28/57/15	67/32/2			
Number Of Issuers ⁴	67	1,127			

Foreign Currency Exposures by Region (%) ⁷			Credit Exposures by Region (%) ⁸		
	Portfolio	Index ²		Portfolio	Index ²
Asia	6.4	19.9	Asia	2.3	15.2
Developed Markets	—	—	Developed Markets	—	—
Eastern Europe	31.9	11.1	Eastern Europe	12.6	5.6
LATAM	18.5	14.5	LATAM	11.9	14.3
MENA	—	0.5	MENA	6.1	10.7
Sub-Saharan Africa	0.1	4.2	Sub-Saharan Africa	17.4	4.0
TOTAL	56.8%	50.1%	TOTAL	50.2%	49.8%

Top 5 Emerging Markets Currency Exposures (%) ⁹		Top 5 Emerging Markets Interest Rate Exposures by Country (years) ¹⁰		Top 5 Credit Exposures by Country (%) ¹¹	
	Portfolio		Portfolio		Portfolio
Hungarian Forint	8.0	Indonesia	0.63	Bahamas	5.9
Uzbekistan Sum	5.8	Peru	0.35	Albania	4.6
Kazakhstan Tenge	4.9	Mexico	0.27	Iraq	3.8
Brazil Real	4.5	India	0.24	Cameroon	3.1
Indonesian Rupiah	4.2	Serbia	0.22	Kenya	3.0
TOTAL	27.5%	TOTAL	1.71	TOTAL	20.3%

Source: Artisan Partners/J.P. Morgan. As of 31 Dec 2023. Based on a representative portfolio. 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. ¹Based on market value of the total portfolio, including US securities, cash and cash equivalents. ²J.P. Morgan EMB Hard Currency (Sovereign and Corporate) 50% / Local Currency 50% Index. ³Not Rated includes unrated positions, derivatives and cash equivalents. ⁴Equals 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. ⁵Reflects credit positions payable in hard currencies, including notional exposure of derivative positions. ⁶Reflects aggregate net exposure to currencies other than hard currencies. Market value of derivative positions are included. ⁷Reflects exposures from positions denominated in regional currencies, other than hard currency exposures. Market value of derivative positions are included. ⁸Reflects exposures for regionally domiciled positions denominated in hard currencies, including notional value of related derivatives. ⁹Reflects the aggregate net exposure from securities and other instruments issued in local currencies, other than hard currencies. Market value of derivative positions are included. ¹⁰Reflects 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. ¹¹Reflects the country of domicile for aggregated portfolio securities denominated in hard currencies.

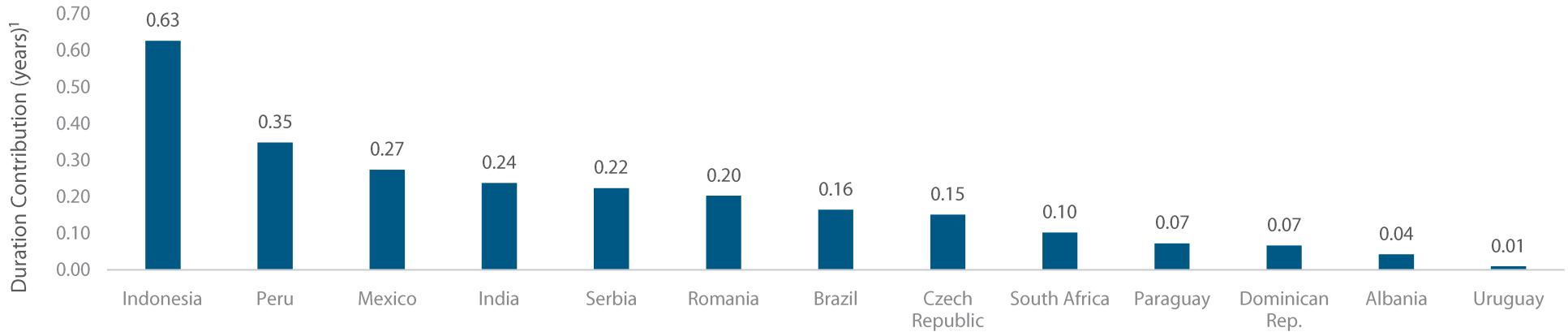
Positioning—Sovereign and Corporate



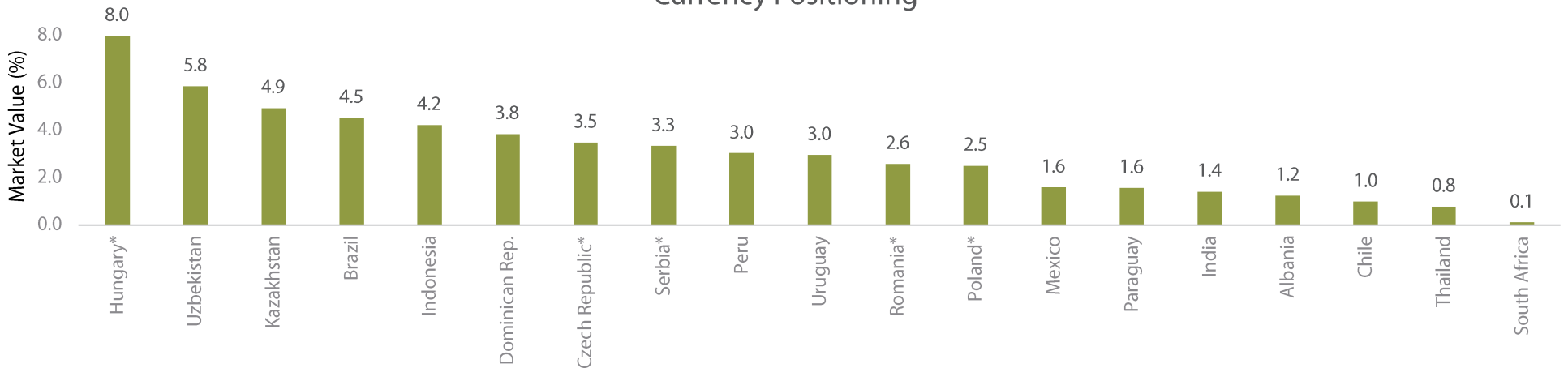
Source: Artisan Partners. As of 31 Dec 2023. Based on a rep account. The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Sovereign and Corporate Credit reflect positions payable in hard currencies, including notional exposure of derivative positions.

Positioning—Local Rates and Currency

Local Rates

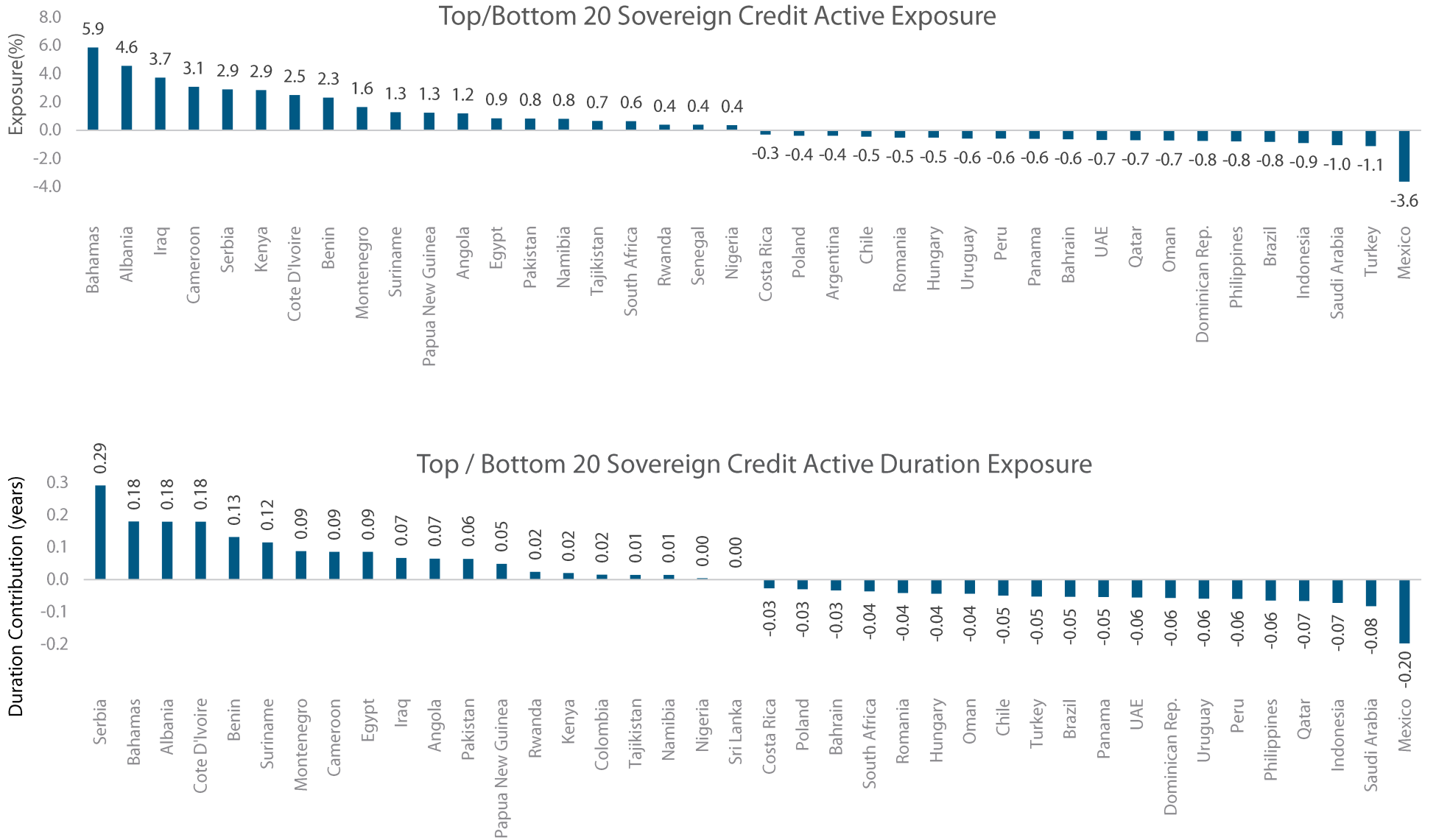


Currency Positioning



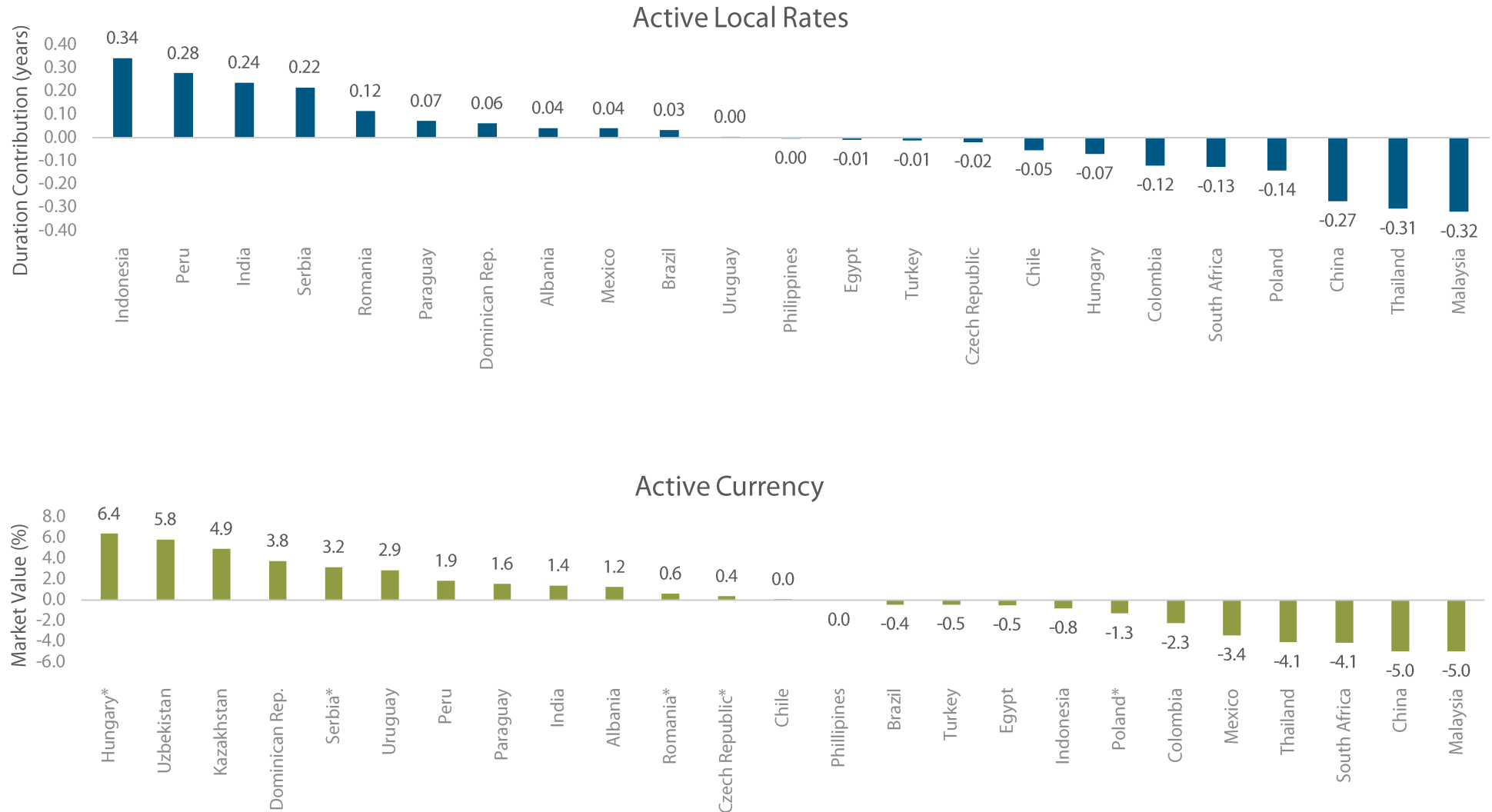
Source: Artisan Partners. As of 31 Dec 2023. Based on a rep account. The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Local Rates and Currency exclude hard currency debt instruments. ¹Based on notional value and excludes cash and cash equivalents. *Countries whose currencies are typically traded versus the Euro.

Positioning—Active Sovereign Exposure



Source: Artisan Partners/J.P. Morgan. As of 31 Dec 2023. Based on the rep account. The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Top / Bottom 20 charts reflect the portfolio's 20 largest and smallest exposures, respectively, relative to those of the benchmark — J.P. Morgan EMB Hard Currency/Local Currency 50-50 Index — and may not be representative of all portfolio exposures. Sovereign and Corporate Credit reflect positions payable in hard currencies, including notional exposure of derivative positions.

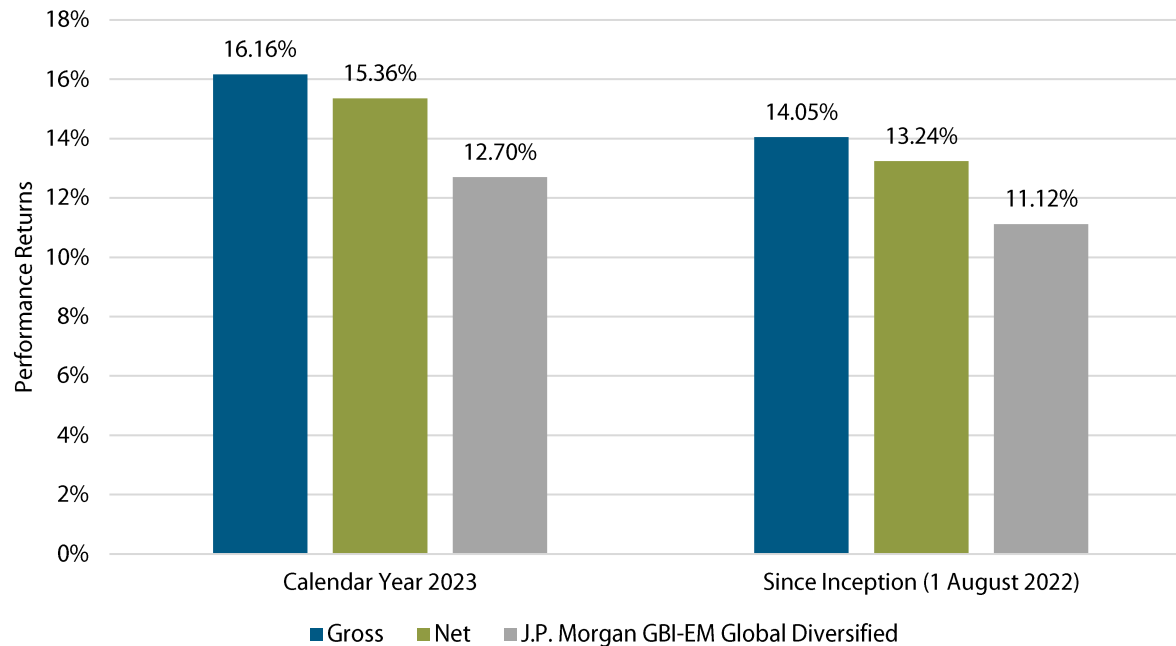
Positioning—Active Local Rates and Currency



Source: Artisan Partners/J.P. Morgan. As of 31 Dec 2023. Based on a rep account. The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Local Rates and FX exclude hard currency debt instruments. Active Exposure/Positioning represents the portfolio's exposures relative to those of the benchmark—J.P. Morgan EMB Hard Currency/Local Currency 50-50 Index. *Countries whose currencies are typically traded versus the Euro.

Performance

Artisan Emerging Markets Local Opportunities Strategy



Calendar Year 2023 Contributors:

- Overweight Dominican Republic currency and local rates position*
- Underweight to Turkish rates and currency
- Overweight to Kazakhstan currency

Calendar Year 2023 Detractors:

- Underweight Colombian currency
- Overweight Mexican local rates
- Underweight Thai currency

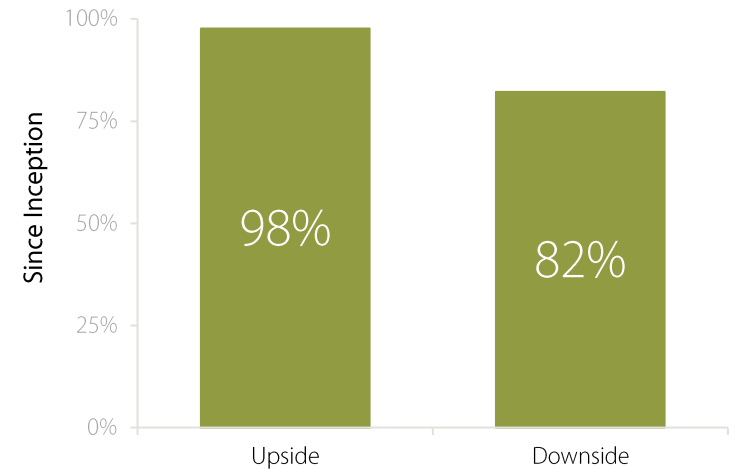
Source: Artisan Partners/JPM. As of 31 December 2023. **Past performance does not guarantee and is not a reliable indicator of future results.** Gross- and net-of-fees performance shown for the Artisan Emerging Markets Local Opportunities Composite. Returns greater than one year are annualized. Current performance may be lower or higher than that shown. Contributors and Detractors represent allocations to factors that contributed the most, positively or negatively, respectively, to the portfolio's return for the period. For specific vehicle performance, refer to the factsheets.

Performance Statistics—Since Inception (USD)

Artisan Emerging Markets Local Opportunities Strategy vs. J.P. Morgan GBI-EM Global Diversified Index

Risk/Return Statistics	Portfolio	Index
Return (% Net)	13.24	11.12
Excess Return (% Net)	2.12	—
Information Ratio	0.70	—
Beta	0.88	—
Correlation	0.97	—

Up/Down Market Capture (%)



Source: Artisan Partners/J.P. Morgan. As of 31 Dec 2023. Composite inception: 1 Aug 2022. **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.** Statistics and capture ratios are based on monthly net returns of the Artisan Emerging Markets Local Opportunities Composite. Up/Down Market Capture measures a manager's ability to generate excess returns above the benchmark when it's positive-upside greater than 100-and come down less than the benchmark when it's negative-downside less than 100. Returns are annualized. Risk/Return Statistics based on shorter time periods are subject to increased variation and may not be reflective of longer-term averages.

Portfolio Characteristics

Portfolio Statistics ¹	Portfolio	Index ²
Yield to Worst	9.64%	6.61%
Effective Duration (years)	4.96	5.03
Average Rating	BBB-	BBB+
IG/HY/Not Rated Composition (%) ³	53/24/22	79/21/1
Number Of Issuers ⁴	48	40

Foreign Currency Exposures by Region (%) ⁶	Portfolio	Index
Asia	34.4	39.6
Developed Markets	—	—
Eastern Europe	52.5	22.1
LATAM	40.9	28.9
MENA	—	1.0
Sub-Saharan Africa	2.2	8.4
TOTAL	130.0%	100.0%

Top 5 Emerging Markets Currency Exposures (%) ⁸	Portfolio
Indonesian Rupiah	11.9
Brazil Real	11.1
Polish Zloty	10.3
Hungarian Forint	9.7
Mexican Peso	9.4
TOTAL	52.4%

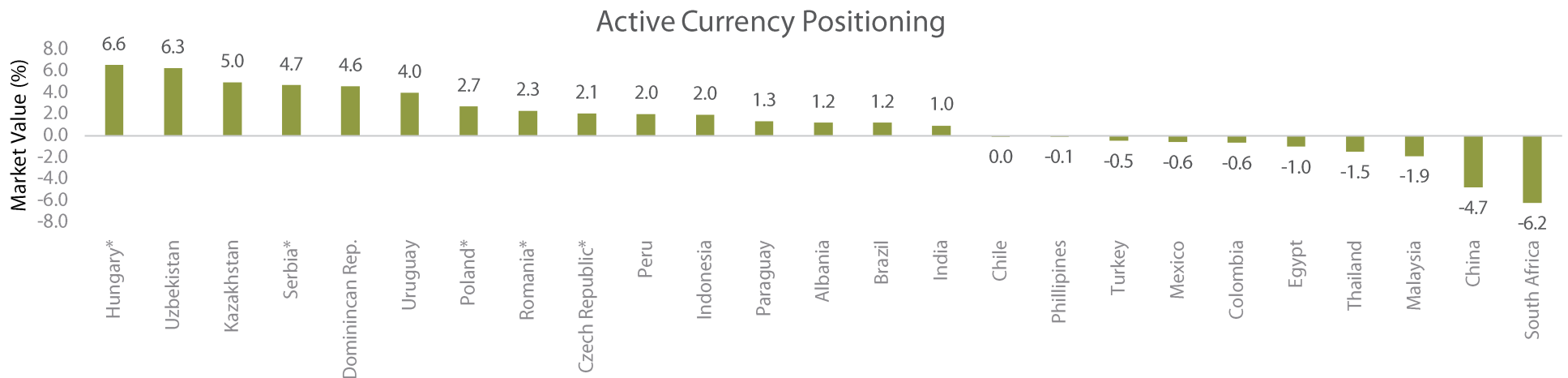
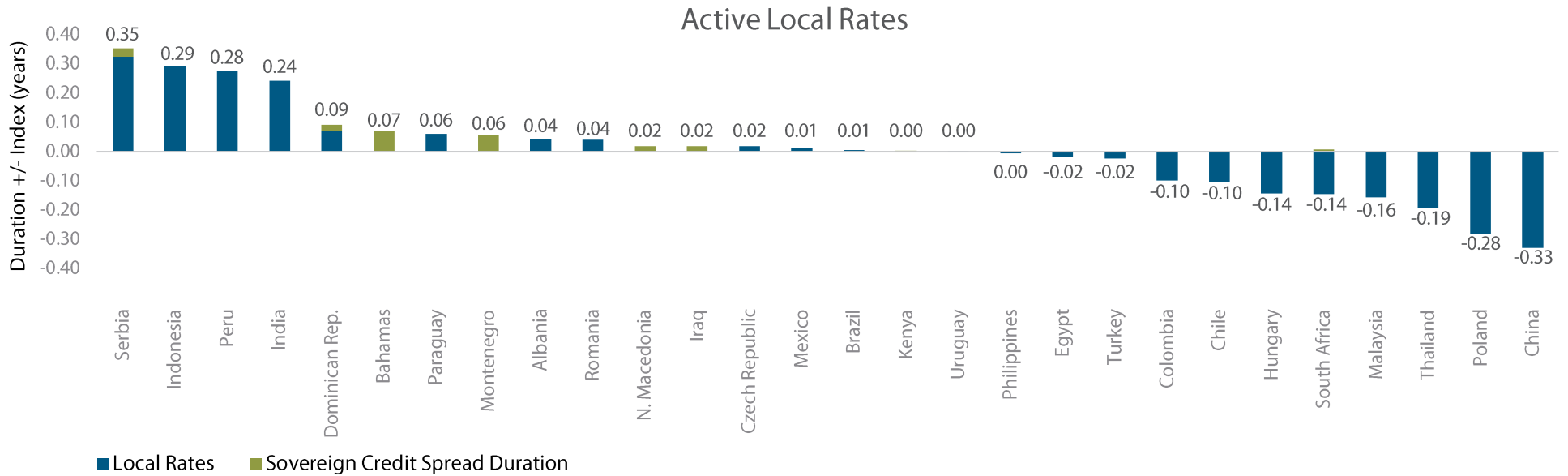
Asset Types (Duration-years)	Portfolio	Index
Rates Exposure	4.94	5.03
EM Sovereign Credit ⁵	0.22	—
EM Corporate Credit ⁵	—	—

Interest Rates Exposures by Region (Duration-years) ⁷	Portfolio	Index
Asia	2.22	2.36
Developed Markets	—	—
Eastern Europe	0.95	0.97
LATAM	1.46	1.23
MENA	—	0.02
Sub-Saharan Africa	0.31	0.45
TOTAL	4.94	5.03

Top 5 Emerging Markets Interest Rate Exposures by Country (Duration-years) ⁹	Portfolio
Indonesia	0.86
Malaysia	0.48
Mexico	0.48
Thailand	0.42
Peru	0.42
TOTAL	2.65

Source: Artisan Partners/J.P. Morgan. As of 31 Dec 2023. Based on a representative portfolio. 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. ¹Based on market value of the total portfolio, including US securities, cash and cash equivalents. ²Index represents J.P. Morgan GBI-EM Global Diversified Index. ³Not Rated includes unrated positions, derivatives and cash equivalents. ⁴Equals 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. ⁵Reflects credit positions payable in hard currencies. ⁶Reflects exposures from positions denominated in regional currencies, other than hard currency exposures. Market value of derivative positions are included. ⁷Reflects the net effective duration of exposures. Excludes short-term currency forwards and hard currency denominated instruments. ⁸Reflects the aggregate net exposure from securities and other instruments issued in local currencies, other than hard currencies. Market value of derivative positions are included. ⁹Reflects 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.

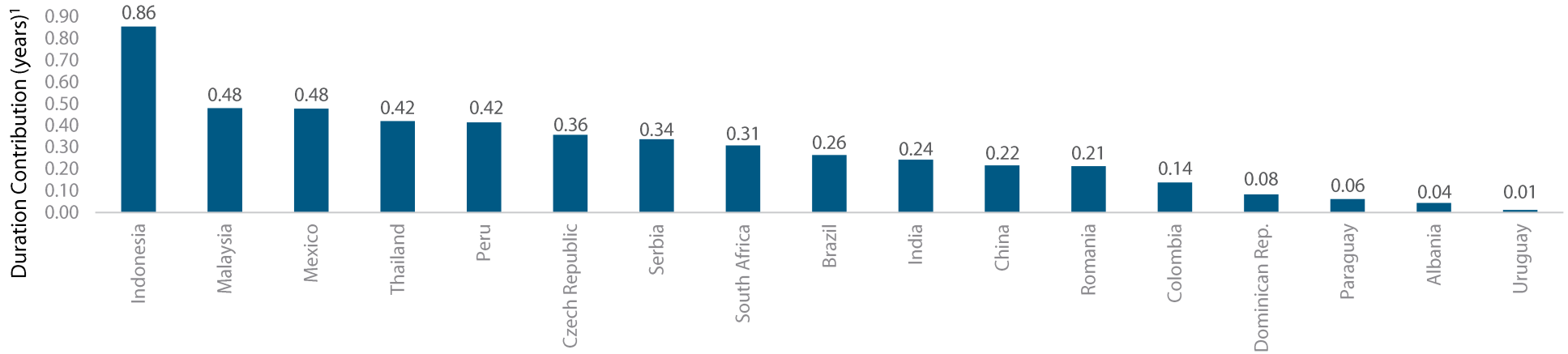
Positioning—Active Local Rates and Currency



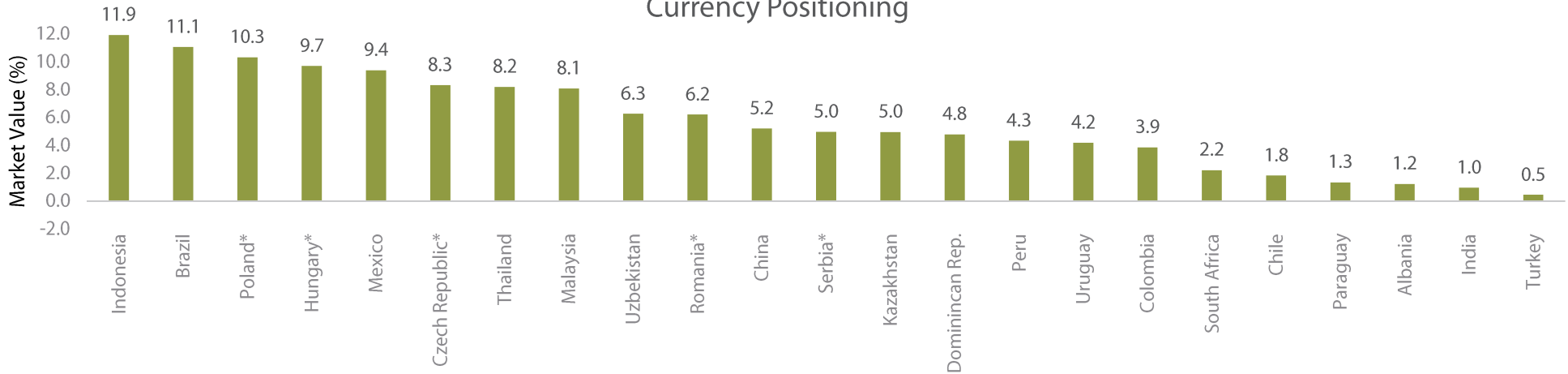
Source: Artisan Partners/J.P. Morgan. As of 31 Dec 2023. Based on a representative account. The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Excludes hard currency debt instruments, USD and EUR FX forward legs, cash and cash equivalents. Active Exposure/Positioning represents the portfolio's exposures relative to those of the benchmark—J.P. Morgan GBI-EM Global Diversified Index. *Countries whose currencies are typically traded versus the Euro.

Positioning—Local Rates and Currency

Local Rates



Currency Positioning



Source: Artisan Partners. As of 31 Dec 2023. Based on a representative account. The portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Excludes hard currency debt instruments, USD and EUR FX forward legs, cash and cash equivalents. ¹Based on notional value and excludes cash and cash equivalents. *Countries whose currencies are typically traded versus the Euro.

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This section of this presentation contains information important to a complete understanding of the material presented. Please review it carefully.

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Form ADV: Additional information about APLP or APUK, the firms, its partners, ownership, investment strategies, fees and expenses and policies is contained in each firm's respective Form ADV. Each firm will supply a copy of its Form ADV upon request.

Artisan Emerging Markets Debt Opportunities, Artisan Global Unconstrained and Artisan Local Opportunities Strategies

A non-diversified portfolio may invest a larger portion of assets in securities of a smaller number of issuers and performance of a single issuer may affect overall portfolio performance greater than in a diversified portfolio. 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. 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 income 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. The use of derivatives in a portfolio may create investment leverage and increase the likelihood of volatility and risk of loss in excess of the amount invested. 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 in Artisan Partners Form ADV, which is available upon request.

This material may include the views of the portfolio manager and other information relating to the portfolio and portfolio securities. While we believe the data accurately reflects the investment process, this information is presented as of the date indicated and will change over time. This material is for informational purposes only and should not be considered as investment advice or a recommendation of any investment service, product or individual security. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

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.

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.

Portfolio Statistics: Global Unconstrained portfolio exposures presented exclude US Treasuries, US dollars and euros and US dollar/euro-denominated derivatives and cash equivalents, unless otherwise noted. Emerging Markets Debt Opportunities and Emerging Markets Local Opportunities 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 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. Portfolio statistics are intended to provide a general view of the entire portfolio, or Index, at a certain point in time. Statistics are calculated using information obtained from various data sources. Portfolio statistics include accrued interest unless otherwise stated. Portfolio holdings, data and statistics are subject to change without notice. Totals may not sum to 100% due to rounding, derivative exposures, unsettled transactions and other factors.

Notional Market 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. **Duration** estimates the sensitivity of underlying fixed income securities to changes in interest rates—the longer the duration, the greater the sensitivity to changes in interest rates. **Credit Rating Composition** is the portfolio's proportion of investment grade (IG), below investment grade (high yield; HY) securities. Credit Ratings are determined by Artisan Partners by surveying Moody's, S&P and Fitch and taking the middle of the three ratings or the lower if only two ratings are available. Securities without a rating by either agency are classified as not rated. Ratings are applicable to the underlying portfolio securities, but are not the portfolio itself, and are subject to change.

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 ICE BofA 3-Month US Treasury Bill Index** is an unmanaged index that comprises a single U.S. Treasury issue with approximately three months to final maturity, purchased at the beginning of each month and held for one full month. **The VIX Index** is a calculation designed to produce a measure of constant, 30-day expected volatility of the U.S. stock market, derived from real-time, mid-quote prices of S&P 500® Index (SPXSM) call and put options. **S&P 500® Index** measures the performance of 500 US companies focused on the large-cap sector of the market. 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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