



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 December 2020

Commentary

Our portfolio outperformed the MSCI EM Index in Q4. The global market rally continued as more cyclical segments of the economy began to recover. Markets were boosted by three separate vaccines found to be effective against COVID-19, signs of a gradual return to normal across EM countries and optimism of a global economic recovery in 2021. EM equities fared better than developed markets equities in Q4. China and Korea were the benchmark's top contributors while no country materially detracted.

MercadoLibre and Estun Automation were among our top relative contributors in Q4. MercadoLibre is Latin America's leading online commerce platform, including e-commerce and financial technology products. During the quarter, the company reported strong quarterly results as it has continued to experience strong traffic growth across its geographic locations even as countries have lifted many COVID-19 related restrictions. MercadoLibre has successfully adapted to the COVID-19 pandemic by expanding its logistic operations including additional fulfillment capabilities.

Estun Automation is a leading domestic Chinese robot producer. The company reported strong quarterly earnings as demand continued to grow for its industrial robots while Cloos—a German producer of welding robots acquired by Estun in 2019—boosted earnings and contributed to improved margins. Estun continues to differentiate itself from peers via its technological advantages, focus on R&D and acquisitions, such as Cloos.

Among our leading relative detractors QTD have been Alibaba and Reliance Industries. Alibaba is China's largest e-commerce platform. The cancellation of highly anticipated Ant Group IPO (co-founded by Alibaba billionaire Jack Ma) led to reduced confidence in Chinese markets and a drop in Alibaba's stock price. The short-term headwinds were further intensified by the Chinese government's actions, including a draft of anti-monopoly guidelines and a probe into alleged anti-competitive practices. Nonetheless, we believe investors overreacted. Alibaba's core e-commerce business remains highly attractive and the company's response to recent events has been encouraging, including significantly increasing its share buyback program to support minority shareholders.

Reliance has long operated in the petrochemical production and oil refining business but has developed new avenues for sustainable growth through its digital and retail businesses. Shares of Reliance declined as many of the company's near-term market catalysts have been realized. India's severe COVID-19 outbreak, challenging economic conditions and weak oil-refining environment also hurt the stock price. However, given Reliance's strong market position, India's low Internet penetration rate and the size of the country's market, we continue to see meaningful long-term upside potential.

Volatility is to be expected in emerging markets—it's a natural part of what we believe is a superior growth opportunity over longer periods. As such, we will maintain our disciplined process and closely monitor positions—including calls with management teams—to adjust valuations and position size as we believe appropriate.

Investment Results (%)

| As of 31 December 2020 | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception | Linked Inception ² |
|--|------|-------|-------|-------|------|-------|-------|-----------|-------------------------------|
| Investor Class: ARTZX | 9.06 | 21.80 | 20.76 | 20.76 | 6.90 | 14.75 | 2.85 | 1.93 | |
| Linked Institutional and Investor Class ¹ | | | | | | | | | 5.99 |
| MSCI Emerging Markets Index | 7.35 | 19.70 | 18.31 | 18.31 | 6.17 | 12.81 | 3.63 | 2.97 | 6.80 |

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. ¹Linked performance data shown relates to the Investor Shares from 2 June 2008 forward and for Institutional Shares prior to 2 June 2008. ²Institutional Class inception: 26 June 2006.

Performance of the Institutional Shares does not reflect higher expenses associated with the Investor Shares, and if reflected, would reduce the performance quoted. Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

Portfolio Details

| | | |
|--|-------------|------------------|
| Net Asset Value (NAV) | \$19.62 | |
| ARTZX Inception | 2 June 2008 | |
| Expense Ratios | Gross | Net ¹ |
| Annual Report 30 Sep 2020 ² | 1.73% | 1.35% |
| Prospectus 30 Sep 2019 ² | 1.93% | 1.35% |

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2022. ²See prospectus for further details.

Top 10 Holdings (% of total portfolio)

| | |
|--|--------------|
| Samsung Electronics Co Ltd (Korea) | 8.6 |
| Taiwan Semiconductor Manufacturing Co Ltd (Taiwan) | 8.5 |
| Alibaba Group Holding Ltd (China) | 8.0 |
| MercadoLibre Inc (Argentina) | 3.6 |
| Prosus NV (Netherlands) | 3.2 |
| Polyus PJSC (Russia) | 2.7 |
| MediaTek Inc (Taiwan) | 2.4 |
| Reliance Industries Ltd (India) | 2.4 |
| Aeris Industria E Comercio De Equipamentos Para Geracao De Energia SA (Brazil) | 2.3 |
| Zhuzhou CRRC Times Electric Co Ltd (China) | 2.2 |
| TOTAL | 43.7% |

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

Sector Diversification (% of total portfolio equities)

| | Fund | MSCI EM ¹ |
|------------------------|---------------|----------------------|
| Communication Services | 5.9 | 11.6 |
| Consumer Discretionary | 22.7 | 18.3 |
| Consumer Staples | 2.3 | 5.9 |
| Energy | 4.8 | 5.0 |
| Financials | 15.7 | 18.0 |
| Health Care | 6.6 | 4.7 |
| Industrials | 11.8 | 4.3 |
| Information Technology | 24.0 | 20.5 |
| Materials | 6.3 | 7.6 |
| Real Estate | 0.0 | 2.1 |
| Utilities | 0.0 | 2.0 |
| TOTAL | 100.0% | 100.0% |

Source: Artisan Partners/GICS/MSCI. Cash and cash equivalents represented 2.7% of the total portfolio. ¹MSCI Emerging Markets Index.

Average Annual Total Returns

| As of 31 December 2020 | MTD | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception | Linked Inception ² |
|--|------|-------|-------|-------|------|-------|-------|-----------|-------------------------------|
| Investor Class: ARTZX | 9.06 | 21.80 | 20.76 | 20.76 | 6.90 | 14.75 | 2.85 | 1.93 | |
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Region/Country Allocation (% of total portfolio equities)

| REGION | Fund | MSCI EM ¹ |
|---------------------------------------|---------------|----------------------|
| EMERGING ASIA | 62.4 | 80.0 |
| China | 23.3 | 39.1 |
| Taiwan | 14.7 | 12.8 |
| Korea | 12.4 | 13.5 |
| India | 8.7 | 9.2 |
| Indonesia | 1.8 | 1.3 |
| Malaysia | 1.1 | 1.5 |
| Thailand | 0.4 | 1.8 |
| LATIN AMERICA | 18.1 | 7.9 |
| Brazil | 6.6 | 5.1 |
| Argentina | 5.6 | 0.1 |
| Mexico | 1.9 | 1.7 |
| Chile | 1.5 | 0.5 |
| Peru | 1.1 | 0.2 |
| Colombia | 0.8 | 0.2 |
| Panama | 0.7 | — |
| EUROPE, MIDDLE EAST AND AFRICA | 13.5 | 11.6 |
| Russia | 8.6 | 3.0 |
| Greece | 2.3 | 0.1 |
| South Africa | 2.2 | 3.5 |
| Saudi Arabia | 0.4 | 2.4 |
| DEVELOPED MARKETS | 6.0 | — |
| Netherlands | 3.3 | — |
| Hong Kong | 1.8 | — |
| Singapore | 0.9 | — |
| TOTAL | 100.0% | 100.0% |

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

Investment Team (Pictured left to right)



| Portfolio Manager | Years of Investment Experience |
|----------------------------|--------------------------------|
| Maria Negrete-Gruson, CFA | 29 |
| Analysts | |
| Meagan Nace, CFA | 28 |
| Chen Gu, CFA | 32 |
| Nicolas Rodriguez-Brizuela | 21 |
| Gurpreet Pal | 17 |
| Jessica Lin, CFA | 15 |

Carefully consider the Fund's investment objective, risks and charges and expenses. This and other important information is contained in the Fund's prospectus and summary prospectus, which can be obtained by calling 800.344.1770. Read carefully before investing.

Current and future portfolio holdings are subject to risk. 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 markets. Such risks include new and rapidly changing political and economic structures, which may cause instability; underdeveloped securities markets; and higher likelihood of high levels of inflation, deflation or currency devaluations. Securities of small- and medium-sized companies tend to have a shorter history of operations, be more volatile and less liquid and may have underperformed securities of large companies during some periods.

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

For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Fund's total net assets as of 31 Dec 2020: Estun Automation Co Ltd 2.1%. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

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

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Sector exposure percentages reflect sector designations as currently classified by GICS.

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