



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 July 2021

Commentary

While our portfolio is down QTD, it has fared notably better than the MSCI EM Index. In July, emerging markets (EM) stocks were off considerably, while developed markets (DM) posted an overall gain. Chinese regulatory concerns—particularly information technology, education and real estate—were a significant source of weakness. The COVID-19 delta variant and slower EM vaccination rollouts—relative to DM countries—also hurt EM stocks. China has been the benchmark's primary detractor while India has been the benchmark's leading contributor QTD.

Among our portfolio's top relative contributors QTD are Zhuzhou CRRC Times Electric and E Ink. Zhuzhou CRRC Times Electric provides and integrates train-borne electrical systems for China's railway industry. But Zhuzhou's growing non-rail businesses are an increasingly important source of sustainable growth, particularly its in-house design and manufacturing of insulated gate bipolar transistors (IGBTs)—switches for high-voltage applications such as electric vehicles (EVs) and power grids.

E Ink is a Taiwan-based producer of e-paper technology—used in e-readers such as Amazon's Kindle—and electronic shelf label (ESL) systems. The company has been launching new technology, including next generation color e-paper to target education markets in China and Europe, as well as a new four-color ESL platform. ESL technology provides retailers with remote and dynamic pricing capabilities. E Ink also is ramping up capacity, and we believe those efforts will pay off as demand increases across product lines and global end markets.

Among our portfolio's leading relative detractors QTD are Focus Energia and Noah Holdings. Focus Energia is a Brazilian electric energy operator involved in energy trading, power management and distribution generation. The company is constructing two new solar generation projects that will help make it Brazil's only pure player in large-scale renewable energy generation. Focus Energia is confronting higher procurement costs for its solar panels from China—an industrywide supply chain challenge—and investors were caught by surprise by a supplier change in the company's solar generation project. We still believe Focus Energia will benefit from climate regulation and greater demand for renewable energy.

Noah Holdings is a leading wealth manager in China. Shares of Chinese American depository receipts (ADRs), including Noah, have been falling as companies are caught between increasing demands and scrutiny from Chinese and US regulators. While US-China tensions and regulatory uncertainty pose risks to Noah's stock, we believe our investment thesis and Noah's fundamentals are strong. Noah is capable of expanding its market share given its strong brand name, market-leading position and ability to deliver top-notch customer service.

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 July 2021	Average Annual Total Returns								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception ²
Investor Class: ARTZX	-3.48	-3.48	4.54	28.18	10.29	12.38	4.06	2.19	
Linked Institutional and Investor Class¹									6.06
MSCI Emerging Markets Index	-6.73	-6.73	0.22	20.64	7.93	10.37	3.61	2.85	6.54

As of 30 June 2021	Average Annual Total Returns								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception ²
Investor Class: ARTZX	1.77	7.32	8.31	46.38	12.72	14.08	4.28	2.48	
Linked Institutional and Investor Class¹									6.35
MSCI Emerging Markets Index	0.17	5.05	7.45	40.90	11.27	13.03	4.28	3.42	7.08

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)	\$20.51	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net ¹
Semi-Annual Report 31 Mar 2021 ^{2,3}	1.66%	1.35%
Prospectus 30 Sep 2020 ³	1.73%	1.35%

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2022. ²Unaudited, annualized for the six-month period. ³See prospectus for further details.

Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	8.7
Samsung Electronics Co Ltd (Korea)	7.4
Alibaba Group Holding Ltd (China)	6.2
Zhuzhou CRRC Times Electric Co Ltd (China)	4.1
MercadoLibre Inc (Argentina)	3.1
E Ink Holdings Inc (Taiwan)	3.0
Estun Automation Co Ltd (China)	2.6
Prosus NV (Netherlands)	2.5
Polyus PJSC (Russia)	2.4
MediaTek Inc (Taiwan)	2.3
TOTAL	42.2%

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

Sector Diversification (% of portfolio securities)

	Fund	MSCI EM ¹
Consumer Goods	14.6	11.4
Extractives & Minerals Processing	10.1	11.6
Financials	17.3	18.3
Food & Beverage	3.0	4.9
Health Care	6.7	5.0
Infrastructure	2.6	4.7
Renewable Resources & Alternative Energy	1.2	0.7
Resource Transformation	8.4	4.7
Services	1.4	2.0
Technology & Communications	33.0	31.6
Transportation	1.8	5.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 3.2% of the total portfolio. ¹MSCI Emerging Markets Index.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	MSCI EM ¹
EMERGING ASIA	63.5	77.9
China	24.5	34.6
Taiwan	15.8	14.6
Korea	11.8	13.4
India	8.8	10.7
Indonesia	1.4	1.2
Malaysia	0.9	1.3
Thailand	0.3	1.6
EUROPE, MIDDLE EAST AND AFRICA	16.2	14.0
Russia	9.0	3.5
Greece	2.5	0.2
South Africa	2.0	3.7
Egypt	1.3	0.1
Kazakhstan	0.9	—
Turkey	0.5	0.3
LATIN AMERICA	14.9	8.1
Brazil	5.9	5.3
Argentina	3.7	0.1
Mexico	1.9	1.9
Chile	1.5	0.4
Peru	0.7	0.2
Panama	0.7	—
Colombia	0.5	0.1
DEVELOPED MARKETS	5.4	—
Netherlands	2.6	—
Hong Kong	1.7	—
Singapore	1.2	—
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	30
Analysts	
Meagan Nace, CFA	29
Chen Gu, CFA	33
Nicolas Rodriguez-Brizuela	22
Gurpreet Pal	17
Jessica Lin, CFA	16

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 Jul 2021: Focus Energia Holding Participacoes SA 1.2%; Noah Holdings Ltd 1.1%. 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 SICS.

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