



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 June 2021

Commentary

Our portfolio outperformed the MSCI EM Index in Q2. Overall, EM rose each month in Q2 but finished the quarter trailing developed markets (DM). Global equities, including EM, were supported by improved economic conditions. China's economy performed well, but investor sentiment may have been hurt by the government's fiscal and credit tightening efforts. EM headwinds included COVID-19 outbreaks in several countries and lagging vaccination rates compared to DM. Brazil and Taiwan were the benchmark's leading Q2 contributors while Thailand and Chile were the top detractors.

Among our leading Q2 relative contributors were Zhuzhou CRRC Times Electric and Estun Automation. Zhuzhou CRRC Times Electric provides and integrates train-borne electrical systems for China's railway industry. However, investors are paying more attention to Zhuzhou's growing non-rail businesses, including insulated gate bipolar transistors (IGBTs)—a switch well suited for high-voltage applications such as power grids and electric vehicles (EV). China's EV market is the world's largest and growing rapidly while Zhuzhou is China's leading IGBT manufacturer. In addition, Zhuzhou received the Shanghai Stock Exchange's approval in Q2 for an A-share public offering and to list on the Science and Technology Innovation Board.

Estun Automation is a leading domestic Chinese robot producer. The company has experienced strong demand from increased industrial automation in China. Estun also is gaining market share by differentiating itself from domestic peers through a focus on R&D, technological advantages—unlike most domestic competitors, Estun makes most of its own components—and timely acquisitions. As Estun gains market share, its operating leverage should greatly improve.

Prosus and Havells India were among our top Q2 relative detractors. Prosus is one of the largest technology investors in the world with a portfolio of best-in-class EM e-commerce, food delivery and payments companies—most notably, a significant minority stake in Chinese technology company Tencent. In April, Prosus sold a small portion of its Tencent stake, but some investors wanted the company to sell a larger portion. In May, Prosus announced a complex share swap arrangement with Naspers, its South African parent company. The terms of the share swap and uncertainty about other uses of the Tencent sale proceeds disappointed investors.

Havells India is a fast-moving electrical goods company focused on lighting products, fans, switches, cables, switchgears and consumer appliances. India's severe resurgence of COVID-19 cases, due in part to the more virulent Delta strain, led to extended or new lockdowns across India, hurting consumer spending and shares of Havells. However, we believe the company has done a good job navigating the pandemic, and it has a compelling outlook once India is able to get the upper hand on COVID-19 and reopen the economy.

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 30 June 2021 | 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 Class ¹ | | | | | | | | | 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) | \$21.25 | |
| 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) | 8.8 |
| Samsung Electronics Co Ltd (Korea) | 7.5 |
| Alibaba Group Holding Ltd (China) | 7.0 |
| Zhuzhou CRRC Times Electric Co Ltd (China) | 3.0 |
| MercadoLibre Inc (Argentina) | 3.0 |
| E Ink Holdings Inc (Taiwan) | 2.7 |
| Prosus NV (Netherlands) | 2.6 |
| Estun Automation Co Ltd (China) | 2.6 |
| MediaTek Inc (Taiwan) | 2.4 |
| Polyus PJSC (Russia) | 2.3 |
| TOTAL | 41.9% |

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

Sector Diversification (% of portfolio securities)

| | Fund | MSCI EM ¹ |
|--|---------------|----------------------|
| Consumer Goods | 15.5 | 12.5 |
| Extractives & Minerals Processing | 10.1 | 10.9 |
| Financials | 16.8 | 17.6 |
| Food & Beverage | 3.0 | 5.0 |
| Health Care | 7.0 | 5.1 |
| Infrastructure | 3.0 | 4.8 |
| Renewable Resources & Alternative Energy | 1.3 | 0.7 |
| Resource Transformation | 7.0 | 4.4 |
| Services | 1.4 | 2.3 |
| Technology & Communications | 33.7 | 31.5 |
| Transportation | 1.3 | 5.2 |
| 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.

Average Annual Total Returns

| As of 30 June 2021 | 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 | |
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Region/Country Allocation (% of portfolio securities)

| REGION | Fund | MSCI EM ¹ |
|---------------------------------------|---------------|----------------------|
| EMERGING ASIA | 63.5 | 79.1 |
| China | 25.1 | 37.5 |
| Taiwan | 15.6 | 13.9 |
| Korea | 11.8 | 13.2 |
| India | 8.2 | 9.9 |
| Indonesia | 1.4 | 1.1 |
| Malaysia | 1.0 | 1.2 |
| Thailand | 0.3 | 1.6 |
| LATIN AMERICA | 15.6 | 7.8 |
| Brazil | 6.6 | 5.2 |
| Argentina | 3.6 | 0.1 |
| Mexico | 2.0 | 1.7 |
| Chile | 1.6 | 0.4 |
| Peru | 0.8 | 0.2 |
| Panama | 0.6 | — |
| Colombia | 0.5 | 0.1 |
| EUROPE, MIDDLE EAST AND AFRICA | 15.4 | 13.0 |
| Russia | 8.9 | 3.3 |
| Greece | 2.1 | 0.1 |
| South Africa | 1.9 | 3.5 |
| Egypt | 1.1 | 0.1 |
| Kazakhstan | 0.9 | — |
| Turkey | 0.5 | 0.2 |
| DEVELOPED MARKETS | 5.5 | — |
| Netherlands | 2.7 | — |
| Hong Kong | 1.7 | — |
| Singapore | 1.1 | — |
| 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 | 29 |
| Chen Gu, CFA | 33 |
| Nicolas Rodriguez-Brizuela | 21 |
| 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 30 Jun 2021: Havells India 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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