



# Artisan Sustainable Emerging Markets Fund

MONTHLY  
Commentary

Investor Class: ARTZX

As of 31 May 2021

## Commentary

Our portfolio has been outperforming the MSCI EM Index QTD. EM rose for a second straight month in May; but EM has been underperforming developed markets overall QTD. Global equities, including EM stocks, have been supported by improving global economic conditions. A downward trend in new COVID-19 cases over the second half of May aided Indian equities, but cases have surged in parts of Southeast Asia. Brazil and India have been the benchmark's top contributors while Chile and Thailand have been the benchmark's primary detractors QTD.

Among our portfolio's top relative contributors QTD are Zhuzhou CRCC Times Electric and Estun Automation. Zhuzhou CRCC Times Electric provides and integrates train-borne electrical systems for China's railway industry. Zhuzhou received the Shanghai Stock Exchange's approval for an A-share public offering and to list on the Science and Technology Innovation Board. Investors also are paying more attention to Zhuzhou's growing non-rail businesses, including insulated gate bipolar transistors (IGBTs) and deep-sea robots. IGBTs have a number of uses, including electric vehicles.

Estun Automation is a leading domestic Chinese robot producer. The company reported positive quarterly results on strong demand from increased industrial automation in China. Estun continues to differentiate itself from peers via technological advantages, focus on R&D and acquisitions.

Among our portfolio's leading relative detractors QTD are MercadoLibre and Prosus. MercadoLibre is Latin America's leading online commerce platform. A resurgence of COVID-19 cases in Brazil—MercadoLibre's largest consumer market—government policy uncertainty and recent investor focus on more cyclical industries pushed MercadoLibre's shares lower. However, we believe its fundamentals look bright, including more efficient logistics, strong growth in smaller markets such as Peru, as well as expanding services and increasing consumer engagement through its Pago digital wallet platform.

Prosus is one of the largest technology investors in the world with 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 some investors.

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 May 2021	Average Annual Total Returns								Inception	Linked Inception <sup>2</sup>
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr			
<b>Investor Class: ARTZX</b>	<b>0.92</b>	<b>5.45</b>	<b>6.42</b>	<b>54.95</b>	<b>10.38</b>	<b>14.72</b>	<b>3.73</b>	<b>2.36</b>		
<b>Linked Institutional and Investor Class<sup>1</sup></b>										<b>6.26</b>
MSCI Emerging Markets Index	2.32	4.87	7.26	51.00	9.65	13.88	4.10	3.43		7.11

  

As of 31 March 2021	Average Annual Total Returns								Inception	Linked Inception <sup>2</sup>
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr			
<b>Investor Class: ARTZX</b>	<b>-2.80</b>	<b>0.92</b>	<b>0.92</b>	<b>66.08</b>	<b>6.37</b>	<b>13.34</b>	<b>3.13</b>	<b>1.97</b>		
<b>Linked Institutional and Investor Class<sup>1</sup></b>										<b>5.95</b>
MSCI Emerging Markets Index	-1.51	2.29	2.29	58.39	6.48	12.07	3.65	3.09		6.84

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. <sup>1</sup>Linked performance data shown relates to the Investor Shares from 2 June 2008 forward and for Institutional Shares prior to 2 June 2008. <sup>2</sup>Institutional 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)	\$20.88	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net <sup>1</sup>
Semi-Annual Report 31 Mar 2021 <sup>2,3</sup>	1.66%	1.35%
Prospectus 30 Sep 2020 <sup>3</sup>	1.73%	1.35%

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

## Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	8.9
Samsung Electronics Co Ltd (Korea)	7.7
Alibaba Group Holding Ltd (China)	6.7
Prosus NV (Netherlands)	2.8
MercadoLibre Inc (Argentina)	2.7
Polyus PJSC (Russia)	2.7
Zhuzhou CRCC Times Electric Co Ltd (China)	2.5
MediaTek Inc (Taiwan)	2.4
E Ink Holdings Inc (Taiwan)	2.2
Estun Automation Co Ltd (China)	2.2
<b>TOTAL</b>	<b>40.7%</b>

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

## Sector Diversification (% of portfolio securities)

	Fund	MSCI EM <sup>1</sup>
Consumer Goods	15.6	11.9
Extractives & Minerals Processing	10.4	11.0
Financials	16.7	18.2
Food & Beverage	3.3	5.1
Health Care	7.1	5.0
Infrastructure	2.8	5.0
Renewable Resources & Alternative Energy	1.2	0.7
Resource Transformation	6.1	4.4
Services	1.2	2.5
Technology & Communications	34.2	31.7
Transportation	1.4	4.5
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 3.0% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

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

REGION	Fund	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>62.9</b>	<b>79.2</b>
China	24.2	37.6
Taiwan	15.4	13.9
Korea	11.8	13.0
India	8.7	10.0
Indonesia	1.5	1.2
Malaysia	1.0	1.3
Thailand	0.4	1.7
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>16.0</b>	<b>13.1</b>
Russia	9.1	3.2
South Africa	2.4	3.8
Greece	2.3	0.1
Egypt	1.0	0.1
Turkey	0.5	0.2
Kazakhstan	0.4	—
Poland	0.2	0.7
<b>LATIN AMERICA</b>	<b>15.4</b>	<b>7.7</b>
Brazil	6.2	5.0
Argentina	3.6	0.1
Mexico	2.0	1.8
Chile	1.5	0.4
Peru	0.9	0.2
Panama	0.6	—
Colombia	0.5	0.1
<b>DEVELOPED MARKETS</b>	<b>5.8</b>	<b>—</b>
Netherlands	2.9	—
Hong Kong	1.8	—
Singapore	1.1	—
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

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

## Investment Team (Pictured left to right)



Portfolio Manager	Years of Investment Experience
Maria Negrete-Gruson, CFA	29
<b>Analysts</b>	
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. 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.

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

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