



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 31 October 2021

Commentary

Our portfolio has been outperforming the MSCI EM Index QTD. Emerging markets (EM) rose in October, following a weak September. However, EM has been underperforming developed markets overall QTD, particularly the US. In EM, positive trends such as reopening economies, rising vaccination rates and easing investor concerns regarding China's property market have been countered by inflation concerns, monetary policy uncertainty, and Brazil's political and fiscal risks. China has been the benchmark's primary largest contributor while Brazil and Korea have been the benchmark's leading detractors QTD.

Among our portfolio's top relative contributors QTD are E Ink and Kaspi. 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 recently launched new technology, experiencing strong demand for both its e-readers and ESL products, as well as ramping up capacity. We also believe E Ink is compelling from an environmental perspective—e-paper technology saves trees, and the company uses a substantial and increasing amount of renewable energy.

Kaspi is a Kazakhstani financial technology company offering financing, marketplace and payments settlement services on a single digital platform. Customer engagement and merchant penetration on Kaspi's single "super app" have been accelerating, and adoption of its fintech and payments businesses are expanding rapidly. The company is also rolling out new initiatives, such as travel services. We continue to like Kaspi's fundamentals—earnings are growing rapidly, the stock trades at a discount to peers on a P/E basis, ROE is above 50% and the dividend payout is nearly 50%.

Among our portfolio's leading relative detractors QTD are MercadoLibre and Focus Energia. MercadoLibre is Latin America's leading online commerce platform. Political and economic turbulence in Brazil, the company's largest market, along with potential near-term demand headwinds as easing COVID-19-related restrictions allow for more in-person shopping, weighed on MercadoLibre's stock. However, years of significant investments in its logistics network, data analysis and Pago digital wallet platform are allowing MercadoLibre to gain market share and increase profitability.

Focus Energia is a Brazilian electric energy operator involved in energy trading, power management and distribution generation. Focus Energia has been confronting higher procurement costs and capital spending costs due in part to 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.

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.

Portfolio Details

Net Asset Value (NAV)	\$19.86	
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)	9.1
Samsung Electronics Co Ltd (Korea)	6.6
Alibaba Group Holding Ltd (China)	5.4
E Ink Holdings Inc (Taiwan)	3.5
MercadoLibre Inc (Argentina)	3.0
ICICI Bank Ltd (India)	2.6
Zhuzhou CRRR Times Electric Co Ltd (China)	2.6
Polyus PJSC (Russia)	2.5
Prosus NV (Netherlands)	2.5
MediaTek Inc (Taiwan)	2.4
TOTAL	40.2%

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

Sector Diversification (% of portfolio securities)

	Fund	MSCI EM ¹
Consumer Goods	13.9	9.4
Extractives & Minerals Processing	10.3	11.4
Financials	18.6	19.5
Food & Beverage	3.3	5.2
Health Care	6.3	4.7
Infrastructure	2.4	4.9
Renewable Resources & Alternative Energy	1.0	0.9
Resource Transformation	6.2	4.8
Services	2.2	1.5
Technology & Communications	34.4	32.8
Transportation	1.6	5.1
TOTAL	100.0%	100.0%

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 3.6% of the total portfolio. ¹MSCI Emerging Markets Index.

Investment Results (%)

As of 31 October 2021	Average Annual Total Returns								Linked Inception ²
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	
Investor Class: ARTZX	3.17	3.17	1.22	22.69	13.87	10.53	5.48	1.91	
Linked Institutional and Investor Class ¹									5.74
MSCI Emerging Markets Index	0.99	0.99	-0.27	16.96	12.30	9.39	4.88	2.76	6.40
As of 30 September 2021									Linked Inception ²
Investor Class: ARTZX	-6.33	-9.41	-1.89	19.50	10.09	9.90	6.39	1.68	
Linked Institutional and Investor Class ¹									5.55
MSCI Emerging Markets Index	-3.97	-8.09	-1.25	18.20	8.58	9.23	6.09	2.71	6.37

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.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	MSCI EM ¹
EMERGING ASIA	62.8	78.7
China	21.0	34.7
Taiwan	16.9	14.7
Korea	11.3	12.2
India	10.4	12.0
Indonesia	1.7	1.5
Malaysia	1.1	1.3
Thailand	0.4	1.7
EUROPE, MIDDLE EAST AND AFRICA	18.1	14.5
Russia	10.0	4.1
Greece	2.5	0.2
South Africa	2.0	3.1
Kazakhstan	1.6	—
Egypt	1.5	0.1
Turkey	0.5	0.3
LATIN AMERICA	13.4	6.8
Brazil	4.9	4.0
Argentina	3.8	0.2
Mexico	1.7	1.9
Chile	1.3	0.4
Peru	1.0	0.2
Panama	0.7	—
DEVELOPED MARKETS	5.7	—
Netherlands	2.6	—
Hong Kong	1.6	—
Singapore	1.5	—
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	18
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 Oct 2021: Focus Energia Holding Participacoes SA 1.0%; Kaspi.KZ JSC 1.6%. 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.

Price-to-Earnings (P/E) is a valuation ratio of a company's current share price compared to its per-share earnings. **Return on Equity (ROE)** is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity. **Dividend Payout Ratio** is the percentage of earnings paid to shareholders in dividends.

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