



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX

As of 30 September 2021

Commentary

Our portfolio trailed the MSCI EM Index in Q3. Emerging market (EM) equities registered their first quarterly decline since the COVID-19 driven selloff in Q1 2020. China was a significant source of EM weakness, driven by the government's regulatory campaign, soft economic data and the potential default of Evergrande, one of China's largest property developers. However, even excluding China, EM equities declined in Q3. At the country level, China, Korea and Brazil were the benchmark's primary Q3 detractors while India was the benchmark's leading contributor.

Estun Automation and Alibaba Group were among our top Q3 relative detractors. Estun Automation is a leading domestic Chinese robot producer. COVID-19 related supply challenges, including higher raw material and transportation costs, have been hampering Estun's production and margins. Most notably, the company imports key components from UK and German companies it acquired in recent years. Estun also lowered prices on some of its products, squeezing margins even more.

Shares of Alibaba, China's largest e-commerce platform, have been heavily penalized by the Chinese government's recent regulatory campaign aimed at the country's technology companies. While near-term regulatory risk is significant, the Chinese government still supports marketplace innovation; the government's stated intention is to reduce anti-competitive behavior, improve data privacy and protect both consumers and employees. We believe Alibaba's core e-commerce business remains highly attractive and the stock price has considerable upside potential.

Among our leading Q3 relative contributors were Havells India and Kajaria Ceramics. Havells India is an electrical goods company focused on lighting products, fans, switches, cables, switchgears and consumer appliances. India's severe wave of the COVID-19 delta variant receded in Q3, allowing the country to start reopening. We believe Havells has done a good job navigating the pandemic and will benefit from any pent-up consumer demand in the near term. Havells' long-term outlook also looks strong. India has a rising urban middle class which is aspirational in nature and prefers branded products sold within the organized retail market.

Kajaria Ceramics is India's largest tile manufacturer. COVID-19 dampened Indian consumer demand and Kajaria's profitability over the past year, but similar to Havells, the company is well-positioned as India's economy reopens. Kajaria has been increasing capacity and gaining domestic market share, which provide the company with a positive sustainable growth outlook.

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 September 2021	Average Annual Total Returns								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	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 Class¹									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.

Portfolio Details

Net Asset Value (NAV)	\$19.25	
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)	9.2
Samsung Electronics Co Ltd (Korea)	7.1
Alibaba Group Holding Ltd (China)	5.0
MercadoLibre Inc (Argentina)	3.5
E Ink Holdings Inc (Taiwan)	2.8
Zhuzhou CRRC Times Electric Co (China)	2.6
Kajaria Ceramics Ltd (India)	2.4
Reliance Industries Ltd (India)	2.4
MediaTek Inc (Taiwan)	2.4
ICICI Bank Ltd (India)	2.4
TOTAL	39.8%

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

Sector Diversification (% of portfolio securities)

	Fund	MSCI EM ¹
Consumer Goods	14.3	10.6
Extractives & Minerals Processing	10.1	11.6
Financials	18.3	19.3
Food & Beverage	3.2	5.2
Health Care	6.7	5.1
Infrastructure	2.7	5.1
Renewable Resources & Alternative Energy	1.1	0.8
Resource Transformation	6.1	5.0
Services	2.1	1.4
Technology & Communications	33.8	31.0
Transportation	1.7	4.9
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.

Region/Country Allocation (% of portfolio securities)

REGION	Fund	MSCI EM ¹
EMERGING ASIA	62.0	78.4
China	20.5	34.0
Taiwan	16.4	14.7
Korea	11.7	12.6
India	10.5	12.2
Indonesia	1.5	1.4
Malaysia	1.0	1.3
Thailand	0.3	1.6
EUROPE, MIDDLE EAST AND AFRICA	17.4	14.2
Russia	9.5	3.9
Greece	2.7	0.2
South Africa	2.2	3.2
Egypt	1.4	0.1
Kazakhstan	1.2	—
Turkey	0.5	0.3
LATIN AMERICA	15.1	7.3
Brazil	5.8	4.4
Argentina	4.4	0.2
Mexico	1.9	1.9
Chile	1.4	0.4
Peru	0.8	0.2
Panama	0.8	—
DEVELOPED MARKETS	5.5	—
Netherlands	2.4	—
Hong Kong	1.7	—
Singapore	1.4	—
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 30 Sep 2021: Estun Automation Co Ltd 1.5%; Havells India Ltd 1.7%. 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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