



# Artisan Sustainable Emerging Markets Fund

MONTHLY  
Commentary

Investor Class: ARTZX

As of 31 January 2022

## Commentary

Our portfolio has begun the year underperforming the MSCI Emerging Markets Index QTD. Elevated inflation, mixed economic data and potentially strong responses by central banks contributed to equity market weakness. Escalating Ukraine-Russia tensions added to market volatility. Korea and China have been the benchmark's primary detractors QTD. Meanwhile, Brazil and Saudi Arabia have been the benchmark's top contributors. In China, negative factors included soft economic data, regional COVID-19 outbreaks, a slumping real estate market and supply chain challenges.

Among our portfolio's leading relative detractors QTD are HYBE and MercadoLibre. HYBE is a Korean music-based entertainment company. Prospects for the resumption of live concerts and tours by musical acts took another hit from the omicron variant's rapid spread. However, HYBE has multiple potential catalysts as it looks to debut more musical groups, revamp Weverse (a digital platform for fans) and launch a video game developed in-house. We also believe its core entertainment and concert business will recover as the pandemic and related safety restrictions ease.

MercadoLibre is Latin America's leading online commerce platform. Shares declined due to economic and political uncertainty in Latin America—particularly Brazil, the company's largest market—and concerns that consumers will do more shopping in stores given fewer COVID-related restrictions. However, we believe MercadoLibre's successful logistics, data analysis and Pago digital wallet platform investments will enable it to gain further market share.

Among our portfolio's top relative contributors QTD are Alpha Services and Alibaba. Alpha Services is a Greece-based provider of commercial banking services. Conditions for the bank and Greece overall are turning more favorable. Greek economic activity has picked up, the country's fiscal condition and Alpha's balance sheet have improved and Greek banks soon will have access to low-cost funding through the European Union's recovery and resilience facility. In our view, Alpha is one of Greece's highest quality banks and looks particularly attractive at current valuations given its brighter outlook.

Alibaba is China's largest e-commerce platform. The stock had a turbulent month but finished slightly higher. China is facing challenging near-term conditions driven by a weaker real estate market, government restrictions in response to a rise in COVID-19 cases, as well as supply chain disruptions. We remain focused on Alibaba's longer term outlook. The company is deepening its penetration into low-tier cities while Alibaba Cloud and the company's expanding international e-commerce business have the potential to be growth pillars.

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 January 2022	Average Annual Total Returns								Linked Inception <sup>2</sup>
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	
<b>Investor Class: ARTZX</b>	<b>-4.15</b>	<b>-4.15</b>	<b>-4.15</b>	<b>-7.02</b>	<b>7.81</b>	<b>8.80</b>	<b>4.75</b>	<b>1.42</b>	
<b>Linked Institutional and Investor Class<sup>1</sup></b>									<b>5.23</b>
MSCI Emerging Markets Index	-1.89	-1.89	-1.89	-7.23	7.19	8.30	4.16	2.40	6.01

  

As of 31 December 2021	Average Annual Total Returns								Linked Inception <sup>2</sup>
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	
<b>Investor Class: ARTZX</b>	<b>1.37</b>	<b>1.28</b>	<b>-0.63</b>	<b>-0.63</b>	<b>12.86</b>	<b>11.18</b>	<b>6.27</b>	<b>1.74</b>	
<b>Linked Institutional and Investor Class<sup>1</sup></b>									<b>5.55</b>
MSCI Emerging Markets Index	1.88	-1.31	-2.54	-2.54	10.94	9.87	5.49	2.55	6.17

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)	\$18.50	
ARTZX Inception	2 June 2008	
Expense Ratios	Gross	Net <sup>1</sup>
Annual Report 30 Sep 2021	1.75%	1.35%
Prospectus 30 Sep 2021 <sup>2</sup>	1.75%	1.35%

<sup>1</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2023. <sup>2</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	10.4
Samsung Electronics Co Ltd (Korea)	7.3
Alibaba Group Holding Ltd (China)	4.3
E Ink Holdings Inc (Taiwan)	3.6
Zhuzhou CRRC Times Electric Co Ltd (China)	3.2
MediaTek Inc (Taiwan)	3.0
ICICI Bank Ltd (India)	2.7
Prosus NV (Netherlands)	2.5
MercadoLibre Inc (Argentina)	2.5
Sino Biopharmaceutical Ltd (China)	2.4
<b>TOTAL</b>	<b>41.8%</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	7.8	7.8
Extractives & Minerals Processing	10.0	11.6
Financials	18.6	20.6
Food & Beverage	3.0	5.1
Health Care	6.4	4.0
Infrastructure	4.5	5.2
Renewable Resources & Alternative Energy	0.9	0.9
Resource Transformation	7.1	4.7
Services	4.0	1.4
Technology & Communications	36.6	34.0
Transportation	1.0	4.6
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 1.9% 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>62.4</b>	<b>77.7</b>
China	20.9	32.1
Taiwan	18.6	16.1
Korea	11.7	11.7
India	7.8	12.5
Indonesia	1.7	1.5
Malaysia	1.1	1.4
Thailand	0.6	1.7
<b>LATIN AMERICA</b>	<b>17.3</b>	<b>7.4</b>
Argentina	6.2	—
Brazil	5.5	4.6
Mexico	2.8	2.0
Chile	1.6	0.4
Peru	1.1	0.2
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>15.5</b>	<b>14.9</b>
Russia	8.3	3.3
Greece	2.9	0.2
Egypt	1.5	0.1
South Africa	1.3	3.4
Kazakhstan	1.0	—
Turkey	0.4	0.2
<b>DEVELOPED MARKETS</b>	<b>4.9</b>	<b>—</b>
Netherlands	2.6	—
Hong Kong	1.5	—
Singapore	0.8	—
<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	30
<b>Analysts</b>	
Meagan Nace, CFA	29
Chen Gu, CFA	34
Nicolas Rodriguez-Brizuela	22
Gurpreet Pal	18
Jessica Lin, CFA	17

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 Jan 2022: Alpha Services and Holdings SA 1.7%; HYBE Co Ltd 1.2%. 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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