



Artisan Sustainable Emerging Markets Fund

MONTHLY
Commentary

Investor Class: ARTZX | Advisor Class: APDEX

As of 30 June 2022

Commentary

Our portfolio got caught up in a volatile Q2, finishing behind the MSCI Emerging Markets Index. Although emerging markets stocks posted a fourth consecutive quarterly decline—the longest slide since the GFC—they fared better than developed markets overall for both Q2 and YTD. Disrupted global supply chains, intensifying inflation pressures, volatile commodity markets, aggressive monetary tightening by central banks and resultant concerns of slower global economic growth all weighed on stocks. Taiwan and Korea were the benchmark's largest Q2 detractors while China was the benchmark's sole Q2 contributor.

Among our portfolio's leading relative Q2 detractors were MercadoLibre and HYBE. Shares of MercadoLibre, Latin America's leading online commerce platform, have been hampered by a series of factors: a de-rating of technology stocks; higher costs (e.g., energy and interest rates); consumers returning to stores or spending more on services as COVID-related restrictions have been removed; and loan portfolio performance amid economic uncertainty and rising interest rates. However, the company has noted online traffic gains made during the pandemic have been holding up well.

HYBE is a Korean music-based entertainment company. Its original and most profitable performers, K-pop group BTS, unexpectedly announced a hiatus so that members may pursue solo projects. We believe HYBE is fairly well positioned to get past the near-term hit from BTS' hiatus as it has been building a portfolio of musical groups, revamping Weverse (a digital platform for fans) and building a video game development business. In addition, HYBE will be the management agency for BTS members' solo projects.

Among our portfolio's top relative Q2 contributors were Zhuzhou CRRC Times Electric and Estun Automation. Zhuzhou provides and integrates train-borne electrical systems for China's railway industry. Rail activity will likely pick up as China eases its severe COVID-related restrictions, which bodes well for rail equipment aftersales and maintenance. Zhuzhou also is pushing to expand its production of insulated gate bipolar transistors—switches well suited for high-voltage applications such as power grids and electric vehicles.

Estun Automation is a leading domestic Chinese robot producer. Earlier in the year, Estun had been hurt by China's COVID-19 policy, higher costs and chip shortages, but conditions appeared to improve near the end of the quarter. We believe any prior demand weakness will prove to be temporary with orders more likely to have been postponed than entirely lost.

Volatility is to be expected in emerging markets, and it can be extreme at times—a natural part of what we believe is a superior growth opportunity over longer periods. In this current bout of volatility, we are maintaining our disciplined process and closely monitoring positions—including engagement with management teams—to adjust valuations and position size as we believe appropriate.

Investment Results (%)

As of 30 June 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	-6.14	-12.44	-26.32	-32.40	-1.83	0.99	2.72	-0.50
Advisor Class: APDEX	-6.14	-12.44	-26.32	-32.40	-1.83	0.99	2.72	-0.50
MSCI Emerging Markets Index	-6.64	-11.45	-17.63	-25.28	0.57	2.18	3.06	1.06

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (2 June 2008); Advisor (27 April 2022). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different if such expenses were reflected.

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

	ARTZX	APDEX
Net Asset Value (NAV)	\$14.22	\$14.22
Inception	2 Jun 2008	27 Apr 2022
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2022 ^{1,2,3}	1.58/1.32 ⁴	—/—
Prospectus 30 Sep 2021 ^{1,3,5}	1.60/1.15	—/—
Prospectus 27 Apr 2022 ^{1,3,6}	—/—	1.43/1.05

¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2024. ²Unaudited, annualized for the six-month period. ³See prospectus for further details. ⁴Expense limit was lowered during the period, effective 1 Mar 2022. ⁵Restated to reflect a reduction in management fees, effective as of 1 Mar 2022. ⁶Includes estimated expenses for the current fiscal year.

Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	9.6
Samsung Electronics Co Ltd (Korea)	6.8
Alibaba Group Holding Ltd (China)	5.1
Zhuzhou CRRC Times Electric Co Ltd (China)	3.9
E Ink Holdings Inc (Taiwan)	3.7
Estun Automation Co Ltd (China)	3.3
Reliance Industries Ltd (India)	3.1
ICICI Bank Ltd (India)	3.0
MediaTek Inc (Taiwan)	2.9
Sino Biopharmaceutical Ltd (China)	2.9
TOTAL	44.3%

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

Sector Diversification (% of portfolio securities)

	Fund	MSCI EM ¹
Consumer Goods	8.2	8.7
Extractives & Minerals Processing	6.0	10.4
Financials	17.9	21.0
Food & Beverage	4.7	5.6
Health Care	7.6	4.3
Infrastructure	4.5	5.7
Renewable Resources & Alternative Energy	0.5	1.1
Resource Transformation	9.4	5.2
Services	3.0	1.6
Technology & Communications	37.0	31.1
Transportation	1.1	5.4
TOTAL	100.0%	100.0%

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 4.1% of the total portfolio. ¹MSCI Emerging Markets Index.

Average Annual Total Returns

	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	-32.40	-1.83	0.99	2.72	-0.50
Advisor Class: APDEX	-32.40	-1.83	0.99	2.72	-0.50
MSCI Emerging Markets Index	-25.28	0.57	2.18	3.06	1.06

Region/Country Allocation (% of portfolio securities)

REGION	Fund	MSCI EM ¹
EMERGING ASIA	71.6	79.7
China	27.2	35.4
Taiwan	18.6	14.5
Korea	11.1	11.2
India	9.8	12.7
Indonesia	2.3	1.8
Malaysia	1.5	1.5
Thailand	0.7	1.9
Vietnam	0.4	—
LATIN AMERICA	16.9	7.8
Brazil	5.8	4.9
Argentina	4.8	—
Mexico	3.2	2.1
Chile	1.8	0.5
Peru	1.2	0.2
EUROPE, MIDDLE EAST AND AFRICA	5.8	12.4
Greece	2.7	0.3
South Africa	1.7	3.5
Kazakhstan	1.4	—
Russia	0.0	—
DEVELOPED MARKETS	5.7	—
Netherlands	2.7	—
Hong Kong	2.2	—
Singapore	0.5	—
Portugal	0.4	—
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	30
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. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. Investments in which the team has determined to have sustainable growth characteristics may underperform other securities and may not achieve their sustainable growth potential. 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 2022: HYBE Co Ltd 0.8%; MercadoLibre Inc 1.9%. As of 3 Mar 2022, Russian holdings are valued at zero. 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.

The **global financial crisis (GFC)** refers to the period of extreme stress in global financial markets and banking systems between mid-2007 and early 2009.

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