



# Artisan Sustainable Emerging Markets Fund

MONTHLY  
Commentary

Investor Class: ARTZX

As of 31 March 2022

## Commentary

Our portfolio underperformed the MSCI Emerging Markets Index in Q1. Several factors have driven investor sentiment lower, including Russia's full-scale invasion of Ukraine, reduced global growth expectations, sustained inflation pressures, potentially strong responses to inflation by central banks and China's severe lockdowns in response to COVID outbreaks. China and Russia were the benchmark's primary detractors QTD, accounting for the index's entire quarterly decline. Meanwhile, Brazil, South Africa and Saudi Arabia were the benchmark's top contributors.

First and foremost, we are saddened by Russia's actions. Ukraine is bearing a tremendous human toll. We believe President Vladimir Putin's decision to invade Ukraine and escalate the conflict is a step backward for human rights, international relations and the global economy. We also believe Putin's decisions will have serious and potentially long-lasting repercussions for the people of his own country.

We are closely monitoring developments in Ukraine, the international community's response to Russia, as well as broader economic and financial markets consequences. In response to escalating sanctions and multiple exchanges suspending Russian stock trading, Artisan Partners' valuation committee decided to write down the value of our Russian positions to zero. As a result, all of the portfolio's Russian positions were among the leading Q1 relative detractors.

Among our portfolio's top Q1 relative contributors were E Ink and Itaú Unibanco. E Ink is a Taiwan-based producer of ePaper technology—used in e-readers such as Amazon's Kindle—and electronic shelf label (ESL) systems. The company is experiencing strong demand due in large part to rapid ESL adoption. It also announced its next generation of Advanced Color ePaper in March. E Ink's ePaper display technology provides users with greater flexibility and efficiency, while significantly reducing paper and energy consumption.

Shares of Itaú Unibanco, Latin America's largest private bank, rallied in Q1. The lender is showing good business momentum for 2022 as well as better operational execution. Its digital banking platform is growing rapidly, and the lender is reducing the number of branches—a combination beneficial to profitability.

## Portfolio Details

Net Asset Value (NAV)	\$16.24	
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>2,3</sup>	1.60%	1.15%

<sup>1</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2024. <sup>2</sup>Restated to reflect a reduction in management fees, effective as of 1 Mar 2022. <sup>3</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	10.6
Samsung Electronics Co Ltd (Korea)	7.6
Alibaba Group Holding Ltd (China)	4.2
E Ink Holdings Inc (Taiwan)	3.7
Estun Automation Co Ltd (China)	3.2
MercadoLibre Inc (Argentina)	2.9
Reliance Industries Ltd (India)	2.8
ICICI Bank Ltd (India)	2.7
MediaTek Inc (Taiwan)	2.6
Zhuzhou CRRC Times Electric Co Ltd (China)	2.6
<b>TOTAL</b>	<b>43.0%</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	8.4	7.9
Extractives & Minerals Processing	6.2	11.1
Financials	18.6	21.8
Food & Beverage	3.6	5.1
Health Care	6.9	4.2
Infrastructure	4.2	5.4
Renewable Resources & Alternative Energy	1.1	1.1
Resource Transformation	7.9	5.0
Services	5.4	1.4
Technology & Communications	37.0	32.6
Transportation	1.0	4.5
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 5.3% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

## Investment Results (%)

As of 31 March 2022	Average Annual Total Returns								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Linked Inception <sup>2</sup>
Investor Class: ARTZX	-3.85	-15.85	-15.85	-17.14	2.96	5.03	2.99	0.45	
Linked Institutional and Investor Class <sup>1</sup>									4.31
MSCI Emerging Markets Index	-2.26	-6.97	-6.97	-11.37	4.94	5.98	3.36	1.97	5.59

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.

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

REGION	Fund	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>67.2</b>	<b>77.7</b>
China	21.4	30.0
Taiwan	19.6	16.1
Korea	13.7	12.6
India	8.5	13.1
Indonesia	2.0	1.7
Malaysia	1.4	1.5
Thailand	0.7	1.9
<b>LATIN AMERICA</b>	<b>21.8</b>	<b>9.2</b>
Brazil	7.6	5.8
Argentina	7.5	—
Mexico	3.2	2.3
Chile	1.9	0.5
Peru	1.5	0.3
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>6.6</b>	<b>13.1</b>
Greece	2.9	0.2
South Africa	2.0	4.1
Kazakhstan	1.3	—
Turkey	0.4	0.3
Russia	0.0	—
<b>DEVELOPED MARKETS</b>	<b>4.4</b>	<b>—</b>
Netherlands	1.9	—
Hong Kong	1.8	—
Singapore	0.7	—
<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. 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 31 Mar 2022: Itau Unibanco Holding SA 1.7%. 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.

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