



# Artisan Sustainable Emerging Markets Fund

MONTHLY  
Commentary

Investor Class: ARTZX | Advisor Class: APDEX

As of 31 May 2022

## Commentary

Our portfolio fared well in May but is running slightly behind the MSCI Emerging Markets Index QTD. Emerging markets overall were steady in May but remain weak on a QTD basis due to concerns about China's economy, disrupted global supply chains, strong inflation, volatile commodity prices and central bank tightening, particularly in the US. Taiwan and India were the benchmark's largest detractors QTD while Chile was the benchmark's primary contributor.

Among our portfolio's leading relative detractors QTD are MercadoLibre and Estun Automation. MercadoLibre is Latin America's leading online commerce platform. Shares declined due to economic and political uncertainty in Latin America, the possibility of consumers returning to stores given fewer COVID-related restrictions and loan portfolio performance uncertainty within its financial services business. MercadoLibre has noted its pandemic-related online traffic gains have been holding up well. We also believe its successful logistics, data analysis and Pago digital wallet platform investments will enable it to gain further market share.

Estun Automation, a leading domestic Chinese robot producer, has been hurt by China's COVID-19 policy and resulting economic headwinds. Higher costs and chip shortages have been additional challenges. Estun has increased its prices, looked to trim costs and attempted to improve operating leverage. We believe Estun's new product rollouts and move into new product areas will help sales and margin growth.

Among our portfolio's top relative contributors QTD are E Ink and Zhuzhou CRRC Times Electric. 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 driven in part by rapid global adoption of its ESL products. E Ink also announced the next generation of its Advanced Color ePaper in March. E Ink's ePaper display technology provides greater flexibility and efficiency, while significantly reducing paper and energy consumption.

Zhuzhou provides and integrates train-borne electrical systems for China's railway industry, but its non-rail business is becoming a more important sustainable competitive advantage and long-term growth driver. Zhuzhou is expanding its production of insulated gate bipolar transistors (IGBTs)—switches well suited for high-voltage applications such as power grids and electric vehicles (EVs). China's EV market is the world's largest and growing fast. In addition, the Chinese government wants to rapidly develop domestic high-tech industries and the country's power grid.

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 31 May 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	2.43	-6.71	-21.50	-26.70	2.25	2.55	3.88	-0.05
Advisor Class: APDEX	2.43	-6.71	-21.50	-26.70	2.25	2.55	3.88	-0.05
MSCI Emerging Markets Index	0.44	-5.15	-11.76	-19.83	5.00	3.80	4.17	1.57

  

As of 31 March 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	-3.85	-15.85	-15.85	-17.14	2.96	5.03	2.99	0.45
Advisor Class: APDEX	—	—	—	—	—	—	—	—
MSCI Emerging Markets Index	-2.26	-6.97	-6.97	-11.37	4.94	5.98	3.36	1.97

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)	\$15.15	\$15.15
Inception	2 Jun 2008	27 Apr 2022
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2022 <sup>1,2,3</sup>	1.58/1.32 <sup>4</sup>	—/—
Prospectus 30 Sep 2021 <sup>1,3,5</sup>	1.60/1.15	—/—
Prospectus 27 Apr 2022 <sup>1,3,6</sup>	—/—	1.43/1.05

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

## Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	10.9
Samsung Electronics Co Ltd (Korea)	7.9
E Ink Holdings Inc (Taiwan)	4.5
Alibaba Group Holding Ltd (China)	4.1
Zhuzhou CRRC Times Electric Co Ltd (China)	3.2
ICICI Bank Ltd (India)	3.0
Reliance Industries Ltd (India)	3.0
MediaTek Inc (Taiwan)	2.9
Estun Automation Co Ltd (China)	2.8
Sino Biopharmaceutical Ltd (China)	2.4
<b>TOTAL</b>	<b>44.8%</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	7.5	7.7
Extractives & Minerals Processing	6.3	10.9
Financials	18.8	21.7
Food & Beverage	3.9	5.4
Health Care	7.0	3.9
Infrastructure	4.7	5.5
Renewable Resources & Alternative Energy	0.7	1.0
Resource Transformation	8.2	5.2
Services	3.9	1.4
Technology & Communications	38.2	32.3
Transportation	0.9	5.0
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 4.0% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

## Average Annual Total Returns

	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	-26.70	2.25	2.55	3.88	-0.05
Advisor Class: APDEX	-26.70	2.25	2.55	3.88	-0.05
MSCI Emerging Markets Index	-19.83	5.00	3.80	4.17	1.57

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

REGION	Fund	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>70.0</b>	<b>78.3</b>
China	21.5	30.8
Taiwan	20.8	16.0
Korea	13.7	12.7
India	9.1	12.8
Indonesia	2.2	1.9
Malaysia	1.5	1.5
Thailand	0.7	1.9
Vietnam	0.4	—
<b>LATIN AMERICA</b>	<b>19.2</b>	<b>8.9</b>
Brazil	7.1	5.6
Argentina	5.4	—
Mexico	3.4	2.3
Chile	1.9	0.6
Peru	1.3	0.2
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>6.4</b>	<b>12.8</b>
Greece	3.0	0.2
South Africa	1.9	3.8
Kazakhstan	1.5	—
Russia	0.0	—
<b>DEVELOPED MARKETS</b>	<b>4.4</b>	<b>—</b>
Netherlands	2.0	—
Hong Kong	1.9	—
Singapore	0.5	—
<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	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 31 May 2022: MercadoLibre Inc 2.1%. 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.

The Global Industry Classification Standard (GICS<sup>®</sup>) is the exclusive intellectual property of MSCI Inc. (MSCI) and Standard & Poor's Financial Services, LLC (S&P). Neither MSCI, S&P, their affiliates, nor any of their third party providers ("GICS Parties") makes any representations or warranties, express or implied, with respect to GICS or the results to be obtained by the use thereof, and expressly disclaim all warranties, including warranties of accuracy, completeness, merchantability and fitness for a particular purpose. The GICS Parties shall not have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of such damages.

This material is provided for informational purposes without regard to your particular investment needs and shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

MSCI makes no express or implied warranties or representations and shall have no liability whatsoever with respect to any MSCI data contained herein. The MSCI data may not be further redistributed or used to create indices or financial products. This report is not approved or produced by MSCI.

The Sustainable Industry Classification System (SICS<sup>®</sup>) is the exclusive intellectual property of Sustainability Accounting Standards Board (SASB). SICS is intended to group companies based on their shared sustainability-related risks and opportunities.

Sector exposure percentages reflect sector designations as currently classified by SICS.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.

© 2022 Artisan Partners. All rights reserved.