



# Artisan Sustainable Emerging Markets Fund

MONTHLY  
Commentary

Investor Class: ARTZX | Advisor Class: APDEX

As of 31 December 2023

## Commentary

Emerging markets advanced in Q4, cementing a strong year for the asset class. Easing financial conditions globally and the US's soft-landing narrative were primary factors driving stock performance during Q4. Taiwan, India and Korea were the MSCI Emerging Markets Index's main contributors, while China, Turkey and the UAE were the primary detractors. Our portfolio outperformed the benchmark in the period.

Among our top Q4 relative contributors were MediaTek and MercadoLibre. Taiwan-based MediaTek is the largest fabless semiconductor design house outside the US. The company is building a technological advantage by developing more advanced edge-computing products and capitalizing on artificial intelligence's widespread availability. Additionally, MediaTek is expanding its design services to major US hyperscalers, and its chips are crucial in driving computer performance for top retail brands.

MercadoLibre, the leading e-commerce platform in Latin America, continued to outperform. The company has strengthened its position in the market through strategic investments. MercadoLibre significantly upgraded its infrastructure, enabling new service capabilities and extending its product reach. The diversified growth approach, which goes beyond e-commerce to encompass payments and fintech, is proving to be highly successful in Latin America.

China's market environment was challenging in Q4. Leading relative detractors included Estun Automation and Zhuzhou CRRC Times Electric. Estun is a leading domestic Chinese robot producer. The company faced sales disruptions during China's long COVID lockdown, resulting in atypical seasonality throughout 2023, with a notable impact on second-half performance. We are confident that the company is still in a favorable position to take advantage of China's demand shift from foreign to domestic manufacturers.

Zhuzhou provides and integrates train-borne electrical systems for China's railway industry. While domestic railway demand has slowed due to limited government stimulus to the industry, the company's developing business segment is still expanding, especially insulated-gate bipolar transistors (IGBTs), which are a vital component in electric vehicles. We anticipate this segment will play a key role in driving the company's future performance.

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 December 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	3.18	7.92	18.41	18.41	-5.58	4.02	3.42	0.44
Advisor Class: APDEX	3.15	7.89	18.47	18.47	-5.56	4.03	3.43	0.45
MSCI Emerging Markets Index	3.91	7.86	9.83	9.83	-5.08	3.68	2.66	1.37

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)	\$16.14	\$16.11
Inception	2 Jun 2008	27 Apr 2022
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2023 <sup>1,2</sup>	1.74/1.15	1.33/1.05
Prospectus 30 Sep 2022 <sup>1,2</sup>	1.52/1.15	1.40/1.05 <sup>3</sup>

<sup>1</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. <sup>2</sup>See prospectus for further details. <sup>3</sup>Includes estimated expenses for the current fiscal year.

## Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	9.8
Samsung Electronics Co Ltd (Korea)	7.9
MercadoLibre Inc (Argentina)	3.4
ICICI Bank Ltd (India)	3.4
MediaTek Inc (Taiwan)	3.3
Alibaba Group Holding Ltd (China)	3.2
Itau Unibanco Holding SA (Brazil)	2.9
E Ink Holdings Inc (Taiwan)	2.8
Reliance Industries Ltd (India)	2.5
GPS Participacoes e Empreendimentos SA (Brazil)	2.3
<b>TOTAL</b>	<b>41.5%</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	7.7
Extractives & Minerals Processing	9.3	10.7
Financials	19.4	22.1
Food & Beverage	2.2	5.1
Health Care	5.7	4.1
Infrastructure	3.8	5.3
Renewable Resources & Alternative Energy	0.0	1.0
Resource Transformation	7.2	5.3
Services	3.7	1.2
Technology & Communications	38.3	32.2
Transportation	2.0	5.3
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 2.5% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

## Average Annual Total Returns

As of 31 December 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	3.18	7.92	18.41	18.41	-5.58	4.02	3.42	0.44
Advisor Class: APDEX	3.15	7.89	18.47	18.47	-5.56	4.03	3.43	0.45
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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.

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

REGION	Fund	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>61.8</b>	<b>77.8</b>
China	16.4	26.5
Taiwan	16.3	16.0
Korea	13.0	13.0
India	10.4	16.7
Indonesia	2.3	1.9
Malaysia	1.4	1.3
Vietnam	1.2	—
Thailand	0.8	1.8
<b>LATIN AMERICA</b>	<b>21.2</b>	<b>9.5</b>
Brazil	8.4	5.8
Argentina	6.1	—
Mexico	3.0	2.7
Chile	2.0	0.5
Peru	1.7	0.3
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>11.5</b>	<b>12.7</b>
South Africa	4.2	3.1
Greece	2.6	0.5
Kazakhstan	1.8	—
United Arab Emirates	1.5	1.3
Romania	1.5	—
Russia	0.0	—
<b>DEVELOPED MARKETS</b>	<b>5.5</b>	<b>—</b>
Netherlands	3.6	—
Hong Kong	1.6	—
Singapore	0.3	—
United States	<0.1	—
<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	32
<b>Analysts</b>	
Meagan Nace, CFA	31
Chen Gu, CFA	35
Nicolas Rodriguez-Brizuela	24
Gurpreet Pal	20
Jessica Lin, CFA	18
Javier Cervantes	8

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. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. Investments in which the team has determined to have sustainable growth characteristics may underperform other securities and may not achieve their sustainable growth potential. Non-diversified portfolios may invest larger portions of assets in securities of a smaller number of issuers and performance of a single issuer may have a greater impact to the portfolio's returns. 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 and less developed markets, including frontier 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 Dec 2023: Estun Automation Co Ltd 2.0%; Zhuzhou CRRC Times Electric Co Ltd 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.

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

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