



Artisan Developing World Fund

QUARTERLY
Commentary

Investor Class: ARTYX | Advisor Class: APDYX | Institutional Class: APHYX

As of 30 September 2024



Portfolio Management
Lewis S. Kaufman, CFA

Dear Fellow Shareholder:

Market Backdrop

The Artisan Developing World Fund (Investor Class) returned 9.64% for the quarter ended September 30, 2024, versus 8.72% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Since June 30, 2015, the Artisan Developing World Fund has returned 149.38% cumulatively, versus 50.92% for the MSCI Emerging Markets Index. Steady improvements in the year-over-year inflation rate in the US throughout the quarter were punctuated by US labor market weakness, setting the stage for a 50bps interest rate cut from the Federal Reserve at its September policy meeting. Emerging markets assets responded with their best quarter since Q4 2022 as investors anticipated easier monetary policy from global central banks. Notably, the MSCI Emerging Markets Currency Index increased 4.02% this quarter, thereby complementing gains to local equity markets. To the surprise of many investors, China may have been the biggest beneficiary of increasing US policy accommodation, as the People's Bank of China (PBOC) announced a series of accommodative monetary policy measures just days after the Fed's policy pivot. China followed these announcements with progress toward meaningful fiscal stimulus, resulting in outsized gains of 23.49% in the MSCI China Index inclusive of a 3.44% appreciation in the renminbi. In fact, MSCI China rose 28.67% in dollar terms from its September 11 lows. The quarter was certainly not linear, as an unwind of the so-called Yen carry trade caused significant disruption to global markets. However, this dynamic was ultimately overwhelmed by signs of a "soft landing" scenario in the US. Southeast Asian (ASEAN) markets were a clear beneficiary of the more accommodative policy mood, with Thailand (MSCI Thailand Index +28.92%), Philippines (MSCI Philippines Index +21.66%), Malaysia (MSCI Malaysia Index +20.54%), and Indonesia (MSCI Indonesia Index +15.33%) rising significantly during the quarter. The selection of a new prime minister in Thailand, enthusiasm for Malaysia's artificial intelligence (AI) positioning, and an averted electoral crisis in Indonesia may have also contributed to regional stock market strength. South Africa also performed well during the quarter (MSCI South Africa Index +16.09%) due to signs of cooperation from the new coalition government, and Fed policy action. Weaker markets included Turkey (MSCI Turkey Index -12.55%), as the economy digested tighter monetary policy. Mexico also declined (MSCI Mexico Index -3.59%) as investor fears about changes to the country's highest court materialized. Korea (MSCI Korea Index -5.59%) and Taiwan (MSCI Taiwan Index +0.49%) lagged as market participants absorbed challenges to the global semiconductor rally, including

unproven AI businesses models, more stringent export controls, and supply constraints for new generations of Nvidia chips.

Contributors and Detractors

Top contributors to performance for the quarter included Chinese online local services platform Meituan, Southeast Asian e-commerce leader Sea, Latin American marketplace MercadoLibre, global payments processor Adyen, and Indian online travel company MakeMyTrip. Meituan showed strong profit growth despite a difficult macro backdrop as the competitive environment eased and it deemphasized loss-making initiatives, while its food delivery and local services businesses remained resistant to domestic economic pressure. Sea rose due to an improved competitive environment in its Shopee e-commerce business that set the stage for commission increases, while a positive inflection in its gaming business surprised market participants. MercadoLibre reported an impressive acceleration in gross merchandise value (GMV) growth in its core Brazilian market, while acceleration in credit card lending and development of its digital advertising capabilities continued. Adyen benefited from improved investor communication and stability in financial results relative to expectations, while experiencing wallet share gains with its core digital enterprise customer base and strong growth in its platform initiatives for small businesses. MakeMyTrip rose thanks to robust domestic travel demand and surprising acceleration in Indian outbound travel despite affordability constraints, while the company's cost base remains relatively fixed.

Bottom contributors to performance for the quarter included cybersecurity technology company CrowdStrike, global online travel marketplace Airbnb, Dutch semiconductor equipment producer ASML, semiconductor design and simulation company Cadence, and data center software provider Snowflake. CrowdStrike declined after a system update resulted in computer and server outages for clients around the world, leading CrowdStrike to respond with customer concession packages and a reduction in near-term financial targets. Airbnb suffered from a weaker outlook for its US business featuring shorter booking lead times, despite robust trends in international and emerging markets. ASML fell due to tighter export restrictions in China, potential memory industry weakness, and uncertainty around Intel's investment plans. Cadence declined due to weaker-than-expected guidance, sensitivity to Cadence's hardware product cycle in the near term, and uncertainty around China exposure. Snowflake declined due to continued concerns around the company's competitive position including its role in emerging AI architectures, and perhaps continued cloud optimization headwinds.

Market Outlook

China's apparent policy pivot comes against a backdrop of weak property markets, overcapacity in key industries, and mounting deflationary concerns. The monetary support measures include rate

cuts, liquidity injections, reductions to the reserve rate requirement (RRR), and stock market support mechanisms. The initiatives are significant in scope and magnitude and included coordination with the PBOC, the bank regulator, and the securities watchdog. They were a surprise to market participants for several reasons. First, China's policy rates are well below US levels already, and some investors may not have anticipated much scope for additional policy accommodation. Second, the PBOC has recently pushed back against strength at the long end of the domestic Chinese yield curve, which perhaps embedded expectations for a sustained deflationary backdrop in the country. Third, Chinese regulators have been presumed to be less focused on economic growth targets than on long-term goals such as technology self-sufficiency in key industries. China followed up the PBOC announcements with a surprise Politburo economic policy meeting. The government highlighted its focus on stemming the housing market decline with fiscal and monetary measures and communicated forward guidance on monetary policy. While fiscal announcements from the meeting were relatively scarce, recent press reports have since indicated the likelihood of significant fiscal stimulus. Such stimulus may take the form of local government support, increased social security and health care benefits, direct fiscal transfers, and property developer support. Importantly, the quantum, timing, composition, and implementation of fiscal programs remain uncertain. Moreover, China will surely need to augment its plan with measures to improve private capital formation and engender confidence from consumers and the private sector. It is also worth noting that industrial support measures that create additional export capacity may not be well received by Western trading partners. Ultimately, it is difficult to know if China can stem the tide of deflationary pressures, but the announced policy measures are certainly a welcome step. This is to say nothing of mounting geopolitical tensions, which remain significant. We have focused in recent years on preserving upside pathways in China, while being attentive to capital at risk in the country. We continue to emphasize concentrated exposure to companies with high potential revenue velocity and attractive incremental margin structures that are favorably exposed to domestic demand, including Meituan, KE Holdings, and Kanzhun.

Elsewhere, emerging markets are generally perceived to be outsized beneficiaries of easier monetary policy, as visible in strong market and currency performance this quarter. There are several reasons for this dynamic. First, the story of emerging markets equities is often told through the lens of fixed income, as bond flows can result in currency appreciation which in turn enhances purchasing power of local consumers. While such developments can be meaningful and drive flows to emerging markets equities, they can also create excess portfolio flows and consumption and exacerbate external and fiscal imbalances. Second, emerging markets central banks have scope to lower policy rates since policy differentials can be preserved even as rates are reduced. However, in this cycle, the Fed may have more scope to lower rates than some emerging markets. For example, India's policy rate currently

sits at 6.50% against a long-term inflation of perhaps 4%, suggesting only modest scope for rate cuts. Indonesia is similarly situated (6.00% policy rate against 3% inflation), while South Africa may have slightly more scope to cut (8.00% policy rate, ~4.5% inflation). For illustrative purposes, the US could reasonably be expected to cut interest rates to 4.00% against an inflation target of 2% and still retain real rates of 2%. This puts the scope for interest rate cuts in emerging markets in perspective; domestic demand has been sufficiently weak for emerging markets central banks to cap rate hikes in the most recent cycle, such that the scope for rate cuts is probably relatively limited if still constructive. In fact, in Brazil, policy makers recently even raised interest rates to 10.75% to anchor long-term inflation expectations considering the government's expansionary fiscal ambitions. In any case, the portfolio is perhaps better situated to benefit from rate cuts because we have lower US revenue exposure than in recent years (18.4% as of September 30, MSCI Emerging Markets Index 11.7%) and significant positions in investments that should benefit from better fund flows and improved purchasing power such as Sea and MakeMyTrip. Accommodative monetary policy, supportive central banks, and rising currencies are no substitute for improved capital formation, domestic policy reform, and sustained growth in the middle class. We remain most focused on emerging markets companies that can achieve revenue velocity by transcending affordability and accelerating the value creation process.

Portfolio Positioning

In past letters, we have emphasized the importance of value capture, the process by which we establish permanence from the disproportionate equity outcomes we achieve. A key element of value capture is reinvestment into stores of value, predominantly in defensive businesses (in our terminology, "correlations"). In essence, we look to replenish defensive investments in our portfolio, such as Visa, Coca-Cola, or HDFC, that may have declined as a proportion of the portfolio as disproportionate equity outcomes are achieved elsewhere. This approach derives a level of permanence from successful investments, while seeking a measure of staying power in future adverse market environments. However, the very nature of our most successful investment outcomes is that they are disproportionate. Thus, having established a degree of permanence, we also have ability to create new pathways for value creation, notably in areas that are underrepresented in the portfolio. We conceive of these pathways as "Blossoms" rather than simply diversification because of their potential to create new avenues for value creation. For example, in July 2023 when Nvidia was in the early stages of its current business trajectory, we used sale proceeds not only to buy correlations but to fund a new investment in MakeMyTrip. Notably, at that time we were not only underrepresented in India but also did not have a single investment in India that we deemed conducive to disproportionate equity outcomes. Since that time, MakeMyTrip has contributed 638bps to portfolio performance. This outcome is significant because it reflects portfolio balance and comes against a backdrop

in the most recent quarter of Nvidia consolidation, passport company declines, and relative headwinds to performance from China strength and dollar weakness.

It is similarly worth noting the “luxury” of retaining residual positions, as disproportionate equity outcomes are achieved. Indeed, even though we did sell a significant amount of Nvidia last summer (and since), our residual position is up 187.19% since June 2023. This approach is grounded in at least three ideas. First, we believe the act of taking capital back and reinvesting in defensive investments is more effective in establishing permanence than a wholly transactional approach that emphasizes complete liquidation and full reinvestment. Second, great value creators can remain so for extended periods of time, due to scalable business models and defensible franchises. Third, to achieve truly disproportionate equity outcomes such as Nvidia (contributed 2,758bps since inception), MercadoLibre (2,406bps), and Sea (1,398bps), your holding period must be sufficiently long. Notably, the median holding period for our top 10 investments is 5.10 years, while the median holding period for the portfolio is 3.36 years. We build understanding and conviction in the companies we hold over time, and we believe that successful investments can continue to be successful. It is also worth noting the inherent tax efficiency, reduced investment risk, and enhanced research scalability of such an approach. If we overstay our welcome, we aspire to have established a level of permanence to render such a development relatively insignificant.

We thank you for your trust and confidence.

Investment Process

We seek to build, preserve and enhance a stream of compounded business value. We define this emphasis as follows:

Build: Pair low penetration domestic demand with scalable and enduring businesses that are able to drive value creation and disproportionate outcomes.

Preserve: Preserve value creation and establish a forward-looking construct for managing risk.

Enhance: Leverage value pathways to enhance long-term value creation.

Investment Results (%)

As of 30 September 2024	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Investor Class: ARTYX	9.64	27.55	42.59	-3.37	12.38	—	10.43
Advisor Class: APDYX	9.69	27.68	42.86	-3.22	12.56	—	10.62
Institutional Class: APHYX	9.73	27.82	43.00	-3.13	12.66	—	10.72
MSCI Emerging Markets Index	8.72	16.86	26.05	0.40	5.75	—	4.70

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. ¹Fund inception: 29 June 2015.

Expense Ratios	ARTYX	APDYX	APHYX
Semi-Annual Report 31 Mar 2024 ¹	1.30	1.13	1.05
Prospectus 30 Sep 2023 ²	1.30	1.13	1.05

¹Unaudited, annualized for the six-month period. ²See prospectus for further details.

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.

For more information: Visit www.artisanpartners.com | Call 800.344.1770

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. 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. All single country returns are net returns based on MSCI country indices. Each country index is designed to measure the performance of the large- and mid-cap segments of the country's market. MSCI China Index captures large- and mid-cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g., ADRs). MSCI Emerging Markets Currency Index tracks the performance of 25 emerging market currencies relative to the US dollar. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

The Global Industry Classification Standard (GICS[®]) 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.

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.

This summary represents the views of the portfolio managers as of 30 Sep 2024. Those views may change, and the Fund disclaims any obligation to advise investors of such changes. For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The holdings mentioned above comprised the following percentages of the Fund's total net assets as of 30 Sep 2024: Sea Ltd 6.1%, MercadoLibre Inc 5.4%, MakeMyTrip Ltd 4.9%, Meituan 4.8%, Crowdstrike Holdings Inc 4.6%, Adyen NV 4.4%, Visa Inc 4.4%, Airbnb Inc 4.2%, NVIDIA Corp 4.1%, The Coca-Cola Co 3.1%, Cadence Design Systems Inc 3.1%, HDFC Bank Ltd 3.0%, ASML Holding NV 2.8%, Kanzhun Ltd 2.1%, KE Holdings Inc 2.0%, Snowflake Inc 1.8%. As of 3 Mar 2022, Russian holdings are valued at zero. Securities named in the Commentary, but not listed here are not held in the Fund as of the date of this report. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. All information in this report, unless otherwise indicated, includes all classes of shares (except performance and expense ratio information) and is as of the date shown in the upper right hand corner. This material does not constitute investment advice.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Contribution to Return is calculated by multiplying a security's portfolio weight by its in-portfolio return for the period. Purchases/sales are accounted for by using end of the day prices, which may or may not reflect the actual purchase/sale price realized by the portfolio. Attribution and contribution to return are not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

If applicable, revenue data is sourced from FactSet, is approximate and is subject to change based on the availability of company reported data.

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.

Passport Companies are based in developed markets economically tied to emerging markets.

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.

© 2024 Artisan Partners. All rights reserved.

