



Portfolio Management
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Market Backdrop

Artisan Developing World Strategy (gross) returned 38.59% for the quarter ended June 30, 2020, versus 18.08% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Since inception (July 1, 2015), Artisan Developing World Strategy has returned 113.89% cumulatively (gross), versus 15.14% for the MSCI Emerging Markets Index. Markets recovered in the second quarter despite the health, human and economic implications of the COVID-19 pandemic and renewed tensions between the US and China. The improved market backdrop reflected commitment from central banks around the world to an unprecedented range of asset purchases in unprecedented amounts, while governments have also provided fiscal packages that in some cases exceed double-digit percentages of GDP. Recent months also saw better access to PPE (personal protective equipment) and ventilators, improved testing and tracing capability, the initial availability of antiviral and other treatments, and progress toward a vaccine. These improvements while still lacking present the preconditions for the global economy to partially reopen, despite the renewed uptick in cases in some countries. Emerging markets participated in the global market rebound but lagged US markets (S&P 500® Index 20.54%), with few outsized performers (South Africa 27.15%, Indonesia 23.96%, Brazil 22.85%, India 20.58%). This dynamic may reflect the dismissive response of some emerging markets governments to the virus outbreak, and the fiscal and health constraints facing others. China rose a relatively muted 15.29% as it passed the controversial national security law in Hong Kong and faced increased scrutiny for its role in global virus transmission. Nevertheless, China is now the best performing major market in the world this year, reflecting domestic virus containment and targeted policy support. Recent border tensions between China and India did not impact markets in the second quarter but bear watching, particularly in India where the economic backdrop is already fragile.

Contributors and Detractors

Top contributors to performance for the quarter included Southeast Asian gaming and e-commerce company Sea, South American e-commerce and payments platform MercadoLibre, leading Chinese local services platform Meituan Dianping, Dutch payments provider Adyen, and US graphics semiconductor company NVIDIA. Sea rose significantly as gaming and e-commerce offered inexpensive entertainment options to consumers confined to their homes, and also benefited from the surprise contribution of its recently launched payments platform ShopeePay. Similarly, MercadoLibre benefited from the twin engines of its e-commerce and digital payments businesses as consumers remain heavily reliant on online shopping in the current environment and eschew

cash transactions. Meituan rose as food delivery in China reaccelerated faster than anticipated following the first-quarter economic shutdown, with restaurants and consumers resuming normal activities on the platform and migrant workers returning to cities to supplement food delivery. Adyen rose despite concerns about its travel and airline exposure, as consumers accelerated their adoption of contactless transactions and e-commerce proliferated globally. NVIDIA saw continued recovery in its data center and gaming businesses and benefited from the likelihood that the work-from-home environment will only accelerate long-term GPU adoption in both businesses.

Bottom contributors to performance for the quarter included Indian jewelry retailer Titan, Brazilian drugstore chain Raia Drogasil, pan-Asian life insurer AIA, Chinese software provider Hundsun Technologies, and Brazilian educational software provider Arco Platform. Titan faced a challenging backdrop of weak demand and high gold prices, while store closures dramatically impacted in-store foot traffic and sales volumes. Raia contended with a muted second-quarter business environment following an initial surge in demand at drugstores in the early days of COVID-19 outbreak in Brazil, as consumers found themselves adequately stocked and largely stayed home. AIA investors were left to contemplate the still-thorny macroeconomic and geopolitical backdrop in Hong Kong, while the lower interest-rate environment could pressure profitability in the company's asset portfolio. Hundsun Technologies was a new purchase during the quarter and registers as a detractor due to our relatively short holding period; China continues to enact reforms which should benefit local capital markets in time. Arco lagged the recovery in Brazilian assets as investors sought out more cyclically depressed businesses, and due to a large stock offering which pressured shares.

Market Outlook

As markets reflate around the world, the understated recovery in emerging markets asset prices is notable. While this dynamic is partially attributable to health care constraints and relatively limited policy tools in responding to COVID-19, major emerging economies such as Brazil, Mexico, Russia, South Africa and India also face long-term declines in potential output. The classic emerging markets story has been one of favorable demographics and foreign investment, which resulted in productivity and relatively high rates of economic growth. However, most emerging markets with the notable exception of China appear to have underinvested in human capital and have thus been unable to move up the value chain and progress toward service-oriented economic models. In addition, emerging countries have generally failed to create the preconditions for sustained foreign capital flows. For example, Mexican President Andrés Manuel López Obrador put the mostly constructed and financed Mexico City Airport to referendum in his first day in office and cancelled the project. Similarly, the India government issued retroactive tax levies against telecom operators, while maintaining protectionist

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measures in retail and other sectors which have discouraged foreign players. These two examples, which were selected because they occurred in countries that are perceived as friendly to foreign capital, illustrate a key challenge for many emerging markets: dissipating foreign investment, which, combined with limited capacity for domestic capital formation, results in insufficient investment levels. The deficiency in skilled labor combined with the dearth of investment has constrained productivity and resulted in declines in potential output. COVID-19 has exacerbated these deficiencies and will make domestic and foreign capital formation even more elusive. Most likely, only reform can stem the tide of these developments.

The economic outlook in China is considerably brighter and is more conducive to the disproportionate equity outcomes we seek. Unlike other emerging markets, China has abundant skilled labor, high savings rates and a vibrant ecosystem for domestic capital formation. Thus, even as it opens its domestic markets to the world, China is not particularly dependent on foreign capital for investment and growth. This domestic investment capability is visible in a resilient if targeted investment program, with China committing to continued urbanization, connected infrastructure and the repatriation of consumer demand. China's decision to abandon formal growth targets this year in favor of employment and "livelihood" represents a commitment to a more sustainable growth model predicated on services, domestic consumption and enduring value creation. Moreover, while China has been criticized for a limited fiscal impulse in response to the crisis, it has managed to engineer a robust policy response to the virus while preserving significant monetary and fiscal policy ammunition for the future. This is not to say that investment in China comes without significant challenges; investors currently seem dismissive of renewed tensions between the US and China during the quarter, which now encompass not only trade but also finance, technology and geopolitics. Notably, the United States recently withdrew from the WHO (World Health Organization) and introduced the Holding Foreign Companies Accountable Act in the Senate as it sought to reprimand China for its role in proliferation of COVID-19 and other matters. In spite of these challenges, China continues to maintain a reasonable degree of control over its economic outcomes.

Portfolio Positioning

While investors have been conditioned to look at investing through the lens of models and multiples, we seek to preserve the underlying value proposition in the portfolio through our evolution around a core set of investment principles. One such evolution is the way we conceive of companies in our portfolio that are based in developed markets, which we now characterize as Passport companies. The notion of multinational companies can be traced to a time where assets and people were simply replicated abroad to drive economic value-creation. By contrast, a Passport company as we define it has distinct business model characteristics that transcend borders and are well-suited to today's more services-oriented economy. One such characteristic is geographic

scalability, whereby a foundational technology or service is directly transferable to one or more emerging countries and cannot be easily replicated. For this reason, Passport companies have the wherewithal to transcend the economic constraints of traditional emerging markets in a way that a multinational cannot and are conducive to the disproportionate equity outcomes we seek. In essence, a Passport company can achieve the combination of unit-cost scalability and low-penetration domestic demand that we might more traditionally associate with our other investments. Moreover, we believe the concept of a Passport company to be directly transferrable to China-based investments as our opportunity set evolves. In particular, as China leverages its skilled labor dividend and ecosystem for domestic capital formation, we should begin to see the emergence of Chinese Passport companies that are successful not only at home but also in other emerging markets. We believe the concept of Passport companies will provide us with additional flexibility as China comes to play a bigger role in investor portfolios over time.

We thank you for your trust and confidence.

Investment Results (% USD)

As of 30 June 2020	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Composite — Gross	38.59	27.77	39.32	20.48	16.40	—	16.40
Composite — Net	38.26	27.13	37.90	19.24	15.20	—	15.20
MSCI Emerging Markets Index	18.08	-9.78	-3.39	1.89	2.86	—	2.86

Annual Returns (% USD) 12 months ended 30 June	2016	2017	2018	2019	2020
Composite — Gross	-4.06	27.40	4.63	20.05	39.32

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

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

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Investment Risks: 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. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request.

Unless otherwise indicated, the Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

Securities referenced may not be representative of all portfolio holdings. Securities of the same issuer are aggregated to determine a holding's portfolio weight. Portfolio statistics calculations exclude outlier data and may substitute information from a related security if unavailable for a particular security. This material is as of the date indicated and is subject to change without notice. Totals may not sum due to rounding.

Attribution is used to evaluate the investment management decisions which affected the portfolio's performance when compared to a benchmark index. Attribution is not exact, but should be considered an approximation of the relative contribution of each of the factors considered.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

MSCI Emerging Markets Index measures the performance of emerging markets. S&P 500[®] Index measures the performance of 500 US companies focused on the large-cap sector of the market.

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Artisan Developing World Strategy

Quarterly Contribution to Return (% USD)

As of 30 June 2020

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Sea Ltd	5.22	5.63	5.10
MercadoLibre Inc	5.19	4.67	5.21
Meituan Dianping	4.48	3.25	4.37
Adyen NV	4.44	2.83	4.26
NVIDIA Corp	4.66	2.17	4.70
Veeva Systems Inc	4.27	2.09	4.29
Visa Inc	6.87	1.69	6.96
StoneCo Ltd	2.24	1.58	2.06
Kweichow Moutai Co Ltd	3.99	1.43	3.70
Tencent Holdings Ltd	4.36	1.36	4.58
TAL Education Group	4.54	1.32	4.57
ASML Holding NV	2.65	1.12	3.04
Yandex NV	2.47	1.08	2.12
Wuxi Biologics Cayman Inc	2.05	0.93	1.97
Alibaba Group Holding Ltd	6.91	0.90	6.94
Netflix Inc	3.16	0.84	3.06
The Estee Lauder Cos Inc	3.11	0.75	3.13
HDFC Bank Ltd	3.78	0.62	4.12

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Titan Co Ltd	0.64	-0.01	0.41
Cash Holdings	1.91	0.00	1.34
Raia Drogasil SA	0.59	0.01	0.50
AIA Group Ltd	3.67	0.10	2.89
Hundsun Technologies Inc	0.11	0.11	0.79
Arco Platform Ltd	1.01	0.11	1.09
Shenzhen Mindray Bio-Medical Electronics Co Ltd	1.07	0.19	1.07
NIKE Inc	0.89	0.20	0.91
Foshan Haitian Flavouring & Food Co Ltd	0.94	0.20	0.86
Hermes International	0.94	0.21	0.96
Ping An Healthcare and Technology Co Ltd	0.71	0.26	0.92
Yifeng Pharmacy Chain Co Ltd	0.79	0.28	0.81
Huazhu Group Ltd	1.08	0.33	0.79
Zhangzhou Pientzehuang Pharmaceutical Co Ltd	1.03	0.39	1.02
Jiangsu Hengrui Medicine Co Ltd	2.03	0.44	1.96
Aier Eye Hospital Group Co Ltd	1.23	0.50	1.86
Uber Technologies Inc	3.86	0.60	4.56
LVMH Moet Hennessy Louis Vuitton SE	3.12	0.61	3.09

Source: Artisan Partners/FactSet. Performance is historical and is not a reliable indicator of future results. As of 30 Jun 2020. These investments made the greatest contribution to, or detracted most from, performance during the period based on a representative account within the strategy Composite. Upon request, Artisan will provide: (i) the calculation methodology and/or (ii) a list showing the contribution of each holding to overall performance during the measurement period. Securities of the same issuer are aggregated to determine the weight in the portfolio. % Contribution to Return is calculated by FactSet by multiplying a security's weight in the portfolio by its in portfolio return for the period referenced and does not take into account expenses of the portfolio. 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.