



Investment Process

We seek to invest in companies that are uniquely positioned to benefit from the growth potential in emerging markets and that possess a sustainable global competitive advantage.

Sustainable Earnings

We believe over the long term a stock's price is directly related to the company's ability to deliver sustainable earnings. We determine a company's sustainable earnings based upon financial and strategic analyses. Our financial analysis of a company's balance sheet, income statement and statement of cash flows focuses on identifying historical drivers of return on equity. Our strategic analysis examines a company's competitive advantages and financial strength to assess sustainability.

Risk Analysis

We believe a disciplined risk framework allows greater focus on fundamental stock selection. We incorporate our assessment of company-specific, sustainability and macroeconomic risks into our valuation analysis to develop a risk-adjusted target price. Our risk-rating assessment includes a review of incident-based and empirical ESG factors and country-appropriate macroeconomic risk factors to which a company is exposed.

Valuation

We believe that investment opportunities develop when businesses with sustainable earnings are undervalued relative to peers and historical industry, country and regional valuations. We value a business and develop a price target for a company based on our assessment of the business's sustainable earnings and risk analysis.

Team Overview

Team experience, continuity and a rigorous investment process are the characteristics that we believe differentiate our team from other emerging markets investment managers. Research analysts have autonomy and ownership of their regions and accountability for the success of their ideas. Our team members bring deep experience and uncommon insight to their respective areas of responsibility.

Investment Team



Maria Negrete-Gruson, CFA
Portfolio Manager



Meagan Nace, CFA
Analyst



Chen Gu, CFA
Analyst



Nicolas Rodriguez-Brizuela
Analyst



Gurpreet Pal
Analyst



Jessica Lin, CFA
Analyst

Investment Results (% USD)

As of 31 March 2021	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Composite — Gross	0.95	0.95	67.94	8.30	15.03	4.63	7.22
Composite — Net	0.70	0.70	66.33	7.23	13.88	3.56	6.12
MSCI Emerging Markets Index	2.29	2.29	58.39	6.47	12.06	3.65	6.37

Annual Returns (% USD) 12 months ended 31 March

	2017	2018	2019	2020	2021
Composite — Gross	22.88	29.04	-6.72	-18.90	67.94

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. ¹Composite inception: 1 July 2006.

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.

Investment Risks: Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described near the back of this document, which should be read in conjunction with this material.



Portfolio Discussion

Our portfolio rose but trailed the MSCI EM Index in Q1. Emerging markets started the year strong on optimism around COVID-19 vaccines and signs of economic reopenings. However, disappointing COVID-19 related events—virus mutations, uneven vaccine rollouts and infection upturns in some countries—as well as rising bond yields and concerns of policy tightening in China helped fuel EM equities weakness over the second half of Q1. EM equities ended up underperforming DM equities in Q1. Taiwan and India were the benchmark's top contributors. Meanwhile, Brazil was the benchmark's primary detractor.

Among our leading Q1 relative detractors were MercadoLibre, Estun Automation and Polyus. MercadoLibre is Latin America's leading online commerce platform, including e-commerce and financial technology products. Multiple factors appeared to weigh on the stock. Globally, investors locked in profits among many of last year's stronger performing tech stocks as market attention shifted toward a global economic recovery from the COVID-19 pandemic and more cyclical industries. At the same time, a resurgence of COVID-19 cases in Brazil—MercadoLibre's largest consumer market—and government policy uncertainty raised economic concerns among investors. However, we believe e-commerce and fintech are still at early stages in Latin America and MercadoLibre's significant investments will enhance its online ecosystem, help it gain market share and improve prospects for long-term sustainable earnings.

Estun Automation is a leading domestic Chinese robot producer. Investors decided to take some profits during the quarter after Estun's shares tripled in 2020. We did not see any change in our investment thesis for Estun; it continues to differentiate itself from peers via technological advantages, focus on R&D and acquisitions. We maintain a positive growth outlook as Estun appears well-positioned to capitalize on the rise of industrial robotic automation across China.

Shares of Polyus, a Russian gold miner, have weakened alongside the price of gold and the company's recent guidance of weaker output in 2021. Polyus is among the lowest cost producers globally and is attractive in terms of production growth compared to its gold mining peers. We believe the company's current valuation underestimates its experienced management team and strong production expansion potential.

Among our most significant Q1 relative contributors were MediaTek, Kajaria Ceramics and E Ink. Taiwan-based MediaTek is the largest fabless semiconductor design house outside the US. MediaTek avoided first-quarter investor profit-taking experienced by other tech companies. Instead, shares benefited from two January announcements: strong quarterly results and a new 5G smartphone chipset. In addition, a combination of strong demand and tight supply conditions for memory chips and a price increase for its Wi-Fi chips further aided the stock price. MediaTek looks well-positioned to expand its market share and regional footprint both near term and over the long term.

Kajaria Ceramics, India's largest tile manufacturer, reported strong quarterly earnings in January due to improved operating performance and increased demand from India's growing middle class. Heading into 2021, India's economy began to reopen as COVID-19 cases declined, but infection rates picked up again as the quarter concluded, threatening the pace of India's recovery in the immediate future. While COVID-19 could dampen near-term demand and Kajaria's profitability, we expect it to continue gaining market share, and we maintain a positive long-term sustainable growth outlook.

E Ink is a Taiwan-based producer of e-paper technology used in e-readers such as Amazon's Kindle. The company launched its next generation of color e-paper technology which allows for thinner and lighter displays and usage on larger screens, provides better text rendering, and enables more features for writing tablets. E Ink intends to use the new technology to make inroads in the e-textbook market in China and Europe.

Portfolio Activity

Amid a choppy quarter for EM equities, we made a number of changes in the portfolio. In general, our decisions to initiate the positions fell into three categories: an entirely new name for us, such as an IPO; a company with sustainable competitive advantages and unique access to growth that we have been patiently following for an attractive entry point; and former holdings we continued to follow and for which we found another attractive opportunity to invest. Correspondingly, we exited a few names, which we believe had limited upside potential, in favor of the new positions.

We participated in the IPO of Brazilian electric energy operator Focus Energia. The company is involved in energy trading, power management and distribution generation. While its legacy business is focused on developing solutions for clients to buy and sell electric energy, the IPO raised money to finance the construction of two new solar generation projects which will help make it Brazil's only pure player in large-scale renewable energy generation. We believe Focus Energia will benefit from climate regulation and greater demand for renewable energy. To fund our position in Focus, we exited our long-time position in Petrobras, which has been progressing through a long-run transition involving the sale of assets and deleveraging. We believed the process had largely played out and exited the position before the government's recent regulatory intervention.

Another new Brazilian name was Hidrovias, a leading provider of waterway transport and logistics and the only independent transporter in Brazil's northern arc region. We have closely followed the company since it went public in 2020, and the stock price recently came down to an attractive level. By servicing the northern arc, including independent farmers within the region, it is helping drive increased grain production. But the company is also an ESG story in multiple ways. Deforestation is being avoided by expanding grain production on former cattle land, while water transport requires significantly less fuel than road and rail transport. We sold our position

in Arco Platform, a Brazilian educational software company, in favor of our investment in Hidrovias.

Other more notable new positions include Commercial International Bank of Egypt, Kingsoft Cloud and Mr. Price. Commercial International Bank of Egypt, the country's largest private bank, is a former position. The bank has close to 8% market share in a country in need of significant capital investment with a relatively young and considerably unbanked population of 100 million. We also believe the management team is one of the best in the region.

Kingsoft Cloud is a Chinese independent provider of cloud computing products. China's cloud services industry is still early in its development given the increasing demand for online video content and the likely long-term demand from new technologies such as artificial intelligence. We believe customers also want alternatives to major players such as Alibaba and Tencent.

Mr. Price, a South African clothing and home goods retailer, is another former holding. The management team is strong, and the company has been excellent at inventory and cost management. We believe once South Africa's public health situation improves, Mr. Price will be well-positioned to take advantage of any economic rebound.

We also exited positions in Leejam Sports, iQIYI and The Foschini Group.

Perspective

Many emerging markets largely remain in a state of crisis that is both humanitarian and economic in nature. However, we are becoming more hopeful about 2021. The rollout of vaccines—admittedly slower than hoped—offers the prospect that life will return to some semblance of normal. From a financial perspective, many EM companies are well-positioned to leverage their competitive advantages as the pandemic recedes. Pockets of value opportunities have emerged as those appear more attractive in terms of valuations and economic outlook. And EM company earnings on a year-over-year basis should be favorable following a difficult 2020.

Our two decades of experience through various market cycles and environments give us the confidence to stay true to our investment process. We believe a bottom-up emphasis on long-term fundamentals and valuation discipline is the best way to compound assets over the long term.

We look for companies that take advantage of a growth opportunity and develop a business model around it, allowing them to build sustainable growth and enduring earnings over time. In addition, we seek companies with a sustainable competitive advantage because the environments in which these companies operate change rapidly. A long-term, defensible competitive advantage is the key to surviving the inevitable crisis times in emerging markets such as we are currently experiencing.

We also perform a country risk analysis to enhance our assessment of the company's target P/E. We estimate which macroeconomic risk factors are the most relevant for each country and how those factors impact a company. Our country risk assessment is not a beauty contest—we are not comparing one country to another. Each emerging market is in a different place in its economic, social and political development. Therefore, it is important to compare a country's risks to its own history and to identify improvements or deterioration over time and how those factors may impact a prospective investment.

Travel has long been an important way for us to build strong relations with management teams, to see companies up close and to better understand local markets. Understanding helps us develop conviction around investment decisions. Unfortunately, we believe travel will largely remain impractical for a while longer. We will continue leveraging our strong relationships and digital communication tools to maintain productive interactions with company management teams and identify opportunities. We remain confident this prolonged period of suspended travel will not negatively impact our investment process of extensive financial and strategic analysis, management research and ESG considerations.

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Investment Risks: 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. 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. References to individual security performance relate to a representative account in the composite. Individual holding periods may differ.

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 certain securities which lack applicable attributes, such as private securities. Artisan Partners 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. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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This summary represents the views of the portfolio manager as of 31 Mar 2021. Those views and portfolio holdings are subject to change and Artisan Partners disclaims any obligation to advise investors of such changes. The discussion of portfolio holdings does not constitute a recommendation of any individual security. For a complete list of holdings by contribution to the strategy, refer to the Contributors to Return chart.

Return on Equity (ROE) is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity. **Price-to-Earnings (P/E)** is a valuation ratio of a company's current share price compared to its per-share earnings.

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A R T I S A N



P A R T N E R S

Artisan Sustainable Emerging Markets Strategy

Quarterly Contribution to Return (% USD)

As of 31 March 2021

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Taiwan Semiconductor Manufacturing Co Ltd	9.33	0.76	9.14
MediaTek Inc	2.72	0.63	2.98
Kajaria Ceramics Ltd	1.77	0.43	1.92
Big Hit Entertainment Co Ltd	0.91	0.32	1.08
E Ink Holdings Inc	1.85	0.29	2.09
LUKOIL PJSC	1.61	0.26	1.72
China Traditional Chinese Medicine Holdings Co Ltd	1.21	0.26	1.38
Cemex SAB de CV	0.83	0.26	0.81
iQIYI Inc	0.55	0.23	0.00
Trip.com Group Ltd	1.20	0.16	1.33
ICICI Bank Ltd	1.96	0.16	2.00
Havells India Ltd	1.32	0.15	1.32
Metropolis Healthcare Ltd	0.83	0.13	0.93
Sea Ltd	0.98	0.11	0.98
Vale SA	1.28	0.11	1.33
Shinhan Financial Group Co Ltd	0.84	0.10	0.95
Ozon Holdings PLC	0.53	0.10	0.65
The Foschini Group Ltd	0.43	0.09	0.00
Sberbank of Russia PJSC	1.49	0.08	1.59
JUMBO SA	1.18	0.07	1.32
Prosus NV	3.30	0.07	3.25
Kuaishou Technology	0.10	0.07	0.13
Baozun Inc	0.83	0.05	0.77
Mr Price Group Ltd	0.60	0.04	1.19
Westlife Development Ltd	0.64	0.04	0.31
FirstRand Ltd	1.02	0.03	1.08
Despegar.com Corp	0.49	0.03	0.00
Arco Platform Ltd	0.34	0.03	0.00
Reliance Industries Ltd	2.14	0.03	1.95
Sino Biopharmaceutical Ltd	1.91	0.02	1.95
MMC Norilsk Nickel PJSC	1.39	0.02	1.36
Copa Holdings SA	0.65	0.02	0.65
Vina Concha y Toro SA	0.60	0.02	0.74
Public Bank Bhd	1.01	0.02	1.02
Bank Rakyat Indonesia Persero Tbk PT	1.10	0.01	1.06

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Focus Energia Holding Participacoes SA	0.99	-0.40	1.64
MercadoLibre Inc	3.43	-0.34	3.08
Zhuzhou CRRC Times Electric Co Ltd	2.22	-0.28	1.82
Estun Automation Co Ltd	2.15	-0.26	1.80
Kingsoft Cloud Holdings Ltd	0.38	-0.23	0.69
Alibaba Group Holding Ltd	7.94	-0.23	7.58
Samsung Electronics Co Ltd	8.26	-0.22	8.17
Samsung Biologics Co Ltd	1.56	-0.21	1.53
Itau Unibanco Holding SA	1.11	-0.21	1.09
Polyus PJSC	2.46	-0.20	2.40
Baidu Inc	1.95	-0.18	1.98
Credicorp Ltd	0.97	-0.17	0.88
Banco Davivienda SA	0.65	-0.17	0.59
Hidrovias do Brasil SA	0.32	-0.09	0.65
Noah Holdings Ltd	1.44	-0.09	1.40
Aeris Industria E Comercio De Equipamentos Para Geracao De Energia SA	1.73	-0.09	1.12
CCC SA	0.31	-0.09	0.52
NagaCorp Ltd	0.21	-0.07	0.48
Alpha Bank AE	0.78	-0.07	0.84
Yandex NV	0.89	-0.06	0.88
Wuhan Raycus Fiber Laser Technologies Co Ltd	1.01	-0.06	0.96
Sunny Friend Environmental Technology Co Ltd	1.45	-0.06	1.50
Leejam Sports Co JSC	0.16	-0.04	0.00
Indofood CBP Sukses Makmur Tbk PT	0.58	-0.04	0.58
Globant SA	0.87	-0.04	0.88
Commercial International Bank Egypt SAE	0.22	-0.03	0.51
Fomento Economico Mexicano SAB de CV	0.96	-0.01	1.02
AIA Group Ltd	1.71	-0.00	1.68
Sinopharm Group Co Ltd	0.69	-0.00	0.71
Petroleo Brasileiro SA	0.30	-0.00	0.00
Cash Holdings	1.87	-0.00	2.20
Tongwei Co Ltd	0.09	-0.00	0.53
China High Precision Automation Group Ltd	0.00	0.00	0.00
Fix Price Group Ltd	0.08	0.00	0.00
Empresa Nacional de Telecomunicaciones SA	0.91	0.01	0.91
Bangkok Bank PCL	0.40	0.01	0.40

Source: Artisan Partners/FactSet. Performance is historical and is not a reliable indicator of future results. As of 31 Mar 2021. 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.