Artisan Sustainable Emerging Markets Strategy

QUARTERLY
Commentary

As of 30 June 2021

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

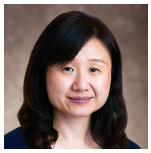
Maria Negrete-Gruson, CFA
Portfolio Manager

Meagan Nace, CFA
Analyst

Chen Gu, CFA
Analyst

Nicolas Rodriguez-Brizuela
Analyst

Gurpreet Pal
Analyst



Jessica Lin, CFA
Analyst

Investment Results (% USD)

As of 30 June 2021	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
			Average Annual Total Returns				
Composite — Gross	**7.61**	**8.63**	**47.39**	**14.39**	**15.95**	**5.81**	**7.62**
Composite — Net	**7.35**	**8.09**	**45.97**	**13.27**	**14.79**	**4.73**	**6.52**
MSCI Emerging Markets Index	5.05	7.45	40.90	11.26	13.02	4.28	6.61

Annual Returns (% USD) 12 months ended 30 June

	2017	2018	2019	2020	2021
Composite — Gross	**27.10**	**10.14**	**3.82**	**-2.14**	**47.39**

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. [1]Composite 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 outperformed the MSCI EM Index in Q2. Overall, EM rose each month in Q2, but finished the quarter trailing developed markets (DM). Global equities, including EM, were supported by improved economic conditions. China's economy performed well, but investor sentiment may have been hurt by the government's fiscal and credit tightening efforts. EM headwinds included COVID-19 outbreaks in several countries and lagging vaccination rates compared to DM. Brazil and Taiwan were the benchmark's leading Q2 contributors while Thailand and Chile were the top detractors.

Among our leading Q2 relative contributors were Zhuzhou CRRC Times Electric, Estun Automation and E Ink. Zhuzhou CRRC Times Electric provides and integrates train-borne electrical systems for China's railway industry. However, investors are paying more attention to Zhuzhou's growing non-rail businesses, including 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 rapidly, while Zhuzhou is China's leading IGBT manufacturer. Zhuzhou's attractive growth and earnings outlook led us to increase our position during the quarter. In addition, Zhuzhou received the Shanghai Stock Exchange's approval in Q2 for an A-share public offering and to list on the Science and Technology Innovation Board.

Estun Automation is a leading domestic Chinese robot producer. The company has experienced strong demand from increased industrial automation in China. Estun also is gaining market share by differentiating itself from domestic peers through a focus on R&D, technological advantages—unlike most domestic competitors, Estun makes most of its own components—and timely acquisitions. As Estun gains market share, its operating leverage should greatly improve.

E Ink is a Taiwan-based producer of e-paper technology—used in e-readers such as Amazon's Kindle—and electronic shelf label (ESL) systems. The company recently launched its next generation of color e-paper technology to target education markets in China and Europe, as well as a new four-color ESL platform. E Ink also is ramping up capacity, and we believe additional capacity will pay off as demand increases across E Ink's product lines and global end markets.

Among our most significant Q2 relative detractors were Prosus, Havells India and Samsung Electronics. Prosus is one of the largest technology investors in the world with a portfolio of best-in-class EM e-commerce, food delivery and payments companies—most notably, a significant minority stake in Chinese technology company Tencent. In April, Prosus sold a small portion of its Tencent stake, but some investors wanted the company to sell a larger portion. In May, Prosus announced a complex share swap arrangement with Naspers, its South African parent company. The terms of the share swap and uncertainty about other uses of the Tencent sale proceeds disappointed investors.

Havells India is a fast-moving electrical goods company focused on lighting products, fans, switches, cables, switchgears and consumer appliances. India's severe resurgence of COVID-19 cases, due in part to the more virulent Delta strain, led to extended or new lockdowns across India, hurting consumer spending and shares of Havells. However, we believe the company has done a good job navigating the pandemic, and it has a compelling outlook once India is able to get the upper hand on COVID-19 and reopen the economy. The country's secular trend of a rising urban middle class remains in place, and these consumers are aspirational in nature, preferring branded products sold within the organized retail market. Havells also plans to expand aggressively into semi-urban and rural markets as India is significantly expanding electrification and improving power supply reliability in these areas.

Samsung Electronics is one of the world's leading producers of memory semiconductors, TFT-LCDs, mobile handsets and other digital convergence products. Shares of Samsung were pressured by near-term headwinds related to the pandemic, in particular processors and dynamic random-access memory (DRAM) chips. While semiconductor shortages likely mean higher prices and margins for Samsung's processors, the shortage hurts its handset and digital products businesses. And investors are concerned increased production to resolve the DRAM shortage could quickly swing into oversupply and a drop in DRAM prices. We believe the concern is overdone. DRAM production is dominated by three disciplined manufacturers willing to quickly adjust production if DRAM inventories rise. Plus, large scale and improved operating leverage means Samsung's DRAM business can remain profitable even in a price or production downcycle, which was not the case in the past. Overall, we believe Samsung remains compelling on a fundamental basis as it is among the cheapest valued global semiconductor producers on a P/B basis, and it is increasing dividend payouts to investors.

Portfolio Activity

Amid a generally positive quarter for EM equities, we made a few changes in the portfolio. No matter which way the market is moving, valuation is an important part of our investment process—we always seek companies with sustainable growth characteristics and trading at compelling valuations.

We initiated positions in off-benchmark companies Kaspi, Turkiye Sinai Kalkinma Bankasi (TSKB) and Grupo Financiero Galicia. Kaspi is a Kazakhstani financial technology company offering financing, marketplace and payments settlement services on a single digital platform. Its single "super app" has achieved high customer engagement and the company's buy-now-pay-later consumer product has helped it become Kazakhstan's e-commerce leader. Kaspi has also turned recent tax relief for small and micro businesses into a growth opportunity by adding new business customers and monetizing their deposits, payments and transactions. We believe Kaspi is compelling on a fundamental basis as well—all of its business

are profitable, it has rapidly growing earnings, it trades at a steep discount to peers on a P/E basis, it has an ROE above 50%, and it has a dividend payout of nearly 50%.

TSKB is Turkey's first privately-owned investment and development bank. We held TSKB for more than 10 years, but we exited the position last year due to the bank's hard currency loan portfolio and our internal effort to make the portfolio more concentrated. This year, TSKB turned compelling once again—the sacking of Turkey's central bank governor and country's political and foreign exchange risks drove its P/E and P/B valuations dramatically lower. We acknowledge the risks are significant but believe the stock's upside potential makes up for the risk. We've also observed a fairly consistent pattern of financial market recovery once the government pulls back from interfering in monetary policy. We believe this time will not be different.

Argentinian financial services provider Grupo Financiero Galicia is another past holding. Galicia became compelling again after losing more than 85% of its market value from its 2018 peak, mainly due to Argentina's economic and financial woes. However, we believe the growth of the low-middle class, the company's exposure to higher margin businesses and its increased market share provide significant upside potential. We also believe Galicia's greater diversification across retail, corporate and small business lines makes it better able to weather the ups and downs of a relatively volatile economy like Argentina.

We exited our position in Westlife Development, an operator of more than 300 McDonald's restaurants across West and South India. Westlife is well positioned to benefit from the country's secular trend of a rising urban middle class, and we believe the company's management team is strong. However, the stock price had rallied considerably since May 2020 and reached our target price.

We also exited positions in CCC, Globant, Kuaishou Technology and NagaCorp.

Perspective

Emerging markets appear to be making progress in the battle against COVID-19, although some countries or areas within individual countries remain in states of crisis both humanitarian and economic in nature. India's receding number of new cases and deaths is particularly encouraging.

The rollout of vaccines in EM—admittedly slower than hoped in many countries—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. Company earnings on a year-over-year basis should also be favorable following a difficult 2020. And pockets of value opportunities have emerged—they appear attractive on both a bottom-up and economic outlook perspective.

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.

For more information: Visit www.artisanpartners.com

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.

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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 30 Jun 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. **Price-to-Book (P/B) Ratio** is a valuation measure used to compare a stock's market value to its book value.

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A R T I S A N  P A R T N E R S

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Artisan Sustainable Emerging Markets Strategy

Quarterly Contribution to Return (% USD)

As of 30 June 2021

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Zhuzhou CRRC Times Electric Co Ltd	2.36	1.16	3.02
Estun Automation Co Ltd	2.11	0.94	2.59
E Ink Holdings Inc	2.27	0.77	2.68
Wuhan Raycus Fiber Laser Technologies Co Ltd	1.21	0.44	1.59
Vale SA	1.51	0.44	1.60
Taiwan Semiconductor Manufacturing Co Ltd	8.96	0.39	8.76
Focus Energia Holding Participacoes SA	1.57	0.35	1.55
Aeris Industria E Comercio De Equipamentos Para Geracao De Energia SA	1.17	0.28	1.29
Sberbank of Russia PJSC	1.61	0.25	1.63
HYBE Co Ltd	1.16	0.25	1.31
LUKOIL PJSC	1.69	0.23	1.82
Sea Ltd	1.05	0.23	1.09
Itau Unibanco Holding SA	1.16	0.23	1.19
Metropolis Healthcare Ltd	0.98	0.22	1.09
CCC SA	0.39	0.21	0.00
Samsung Biologics Co Ltd	1.63	0.21	1.63
Sinopharm Group Co Ltd	0.87	0.20	0.82
MMC Norilsk Nickel PJSC	1.44	0.18	1.34
Tongwei Co Ltd	0.56	0.18	0.67
Mr Price Group Ltd	0.98	0.18	0.78
MercadoLibre Inc	2.92	0.17	3.00
Alpha Services and Holdings SA	1.04	0.17	0.94
Polyus PJSC	2.50	0.16	2.32
Kaspi.KZ JSC	0.24	0.16	0.82
Cemex SAB de CV	0.87	0.16	0.87
Hidrovias do Brasil SA	0.71	0.14	0.72
Fomento Economico Mexicano SAB de CV	1.06	0.14	1.04
ICICI Bank Ltd	1.99	0.13	1.97
China Traditional Chinese Medicine Holdings Co Ltd	1.29	0.13	1.43
MediaTek Inc	2.65	0.10	2.37
Yandex NV	0.86	0.09	0.88
Noah Holdings Ltd	1.32	0.08	1.37
Shinhan Financial Group Co Ltd	0.98	0.08	0.98
FirstRand Ltd	1.11	0.08	1.05

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Prosus NV	2.97	-0.37	2.64
Baidu Inc	1.73	-0.13	1.68
Trip.com Group Ltd	1.19	-0.11	1.04
Kingsoft Cloud Holdings Ltd	0.77	-0.11	0.70
Havells India Ltd	1.21	-0.10	1.14
Credicorp Ltd	0.82	-0.10	0.80
JUMBO SA	1.29	-0.10	1.10
Sunny Friend Environmental Technology Co Ltd	1.40	-0.09	1.34
Bank Rakyat Indonesia Persero Tbk PT	0.96	-0.08	0.90
Grupo Financiero Galicia SA	0.16	-0.08	0.53
Empresa Nacional de Telecomunicaciones SA	0.79	-0.08	0.82
NagaCorp Ltd	0.24	-0.08	0.00
Commercial International Bank Egypt SAE	0.97	-0.07	1.11
Indofood CBP Sukses Makmur Tbk PT	0.52	-0.07	0.49
Turkiye Sinai Kalkinma Bankasi AS	0.23	-0.06	0.47
Banco Davivienda SA	0.56	-0.05	0.48
Baozun Inc	0.68	-0.05	0.65
Bangkok Bank PCL	0.36	-0.04	0.32
Copa Holdings SA	0.62	-0.04	0.55
Alibaba Group Holding Ltd	7.08	-0.02	6.98
Public Bank Bhd	0.98	-0.02	0.94
Kuaishou Technology	0.03	-0.02	0.00
Sino Biopharmaceutical Ltd	1.97	-0.01	1.76
China High Precision Automation Group Ltd	0.00	0.00	0.00
Cash Holdings	2.64	0.01	3.21
Westlife Development Ltd	0.28	0.01	0.00
JD Logistics Inc	0.03	0.01	0.00
Samsung Electronics Co Ltd	7.90	0.02	7.51
Globant SA	0.66	0.03	0.00
Ozon Holdings PLC	0.64	0.03	0.62
Vina Concha y Toro SA	0.75	0.04	0.69
Reliance Industries Ltd	1.87	0.07	1.87
Kajaria Ceramics Ltd	1.84	0.07	1.84
AIA Group Ltd	1.66	0.07	1.61

Source: Artisan Partners/FactSet. **Performance is historical and is not a reliable indicator of future results.** As of 30 Jun 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.