Artisan Sustainable Emerging Markets Strategy

QUARTERLY
Commentary

As of 30 September 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

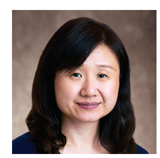
Maria Negrete-Gruson, CFA
Portfolio Manager

Meagan Nace, CFA
Analyst

Chen Gu, CFA
Analyst

Nicolas Rodriguez-Brizuela
Analyst

Gurpreet Pal
Analyst



Jessica Lin, CFA
Analyst

Investment Results (% USD)

			Average Annual Total Returns				
As of 30 September 2021	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception[1]
Composite — Gross	**-9.08**	**-1.24**	**21.32**	**11.73**	**11.68**	**7.80**	**6.82**
Composite — Net	**-9.32**	**-1.98**	**20.13**	**10.63**	**10.57**	**6.71**	**5.73**
MSCI Emerging Markets Index	-8.09	-1.25	18.20	8.58	9.23	6.08	5.91

Annual Returns (% USD) 12 months ended 30 September

	2017	2018	2019	2020	2021
Composite — Gross	**26.19**	**-1.29**	**3.33**	**11.30**	**21.32**

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 trailed the MSCI EM Index in Q3. Emerging market (EM) equities registered their first quarterly decline since Q1 2020's COVID-19 driven selloff. China was a significant source of EM weakness, driven by the government's regulatory campaign, soft economic data and the potential default of Evergrande, one of China's largest property developers. However, even excluding China, EM equities declined in Q3. At the country level, China, Korea and Brazil were the benchmark's primary Q3 detractors while India was the benchmark's leading contributor.

The portfolio has been structurally underweight China for a number of years. And while the underweight exposure was a positive this quarter given China's poor performance, what ultimately drives our portfolio performance is stock selection. In Q3, our positions did not escape the Chinese selloff. However, we firmly believe the portfolio's China exposure captures the appropriate opportunity set of companies offering a combination of unique access to growth and sustainable competitive advantages—as well as relatively less policy risk. The team's fundamental investment process, particularly in relation to environmental, social and governance (ESG), has led to a tilting toward domestically-oriented companies in lesser developed and cutting-edge industries. China's government views several of these industries as important to develop in order to achieve greater economic and technological self-sufficiency. While new regulations and Evergrande will continue to drive near-term market uncertainty, we believe the growth prospects of our current Chinese positions remain strong.

Among our leading Q3 relative detractors were Estun Automation, Alibaba and Zhuzhou CRRC Times Electric. Estun Automation is a leading domestic Chinese robot producer. COVID-19 related supply challenges, including higher raw material and transportation costs, have been hampering Estun's production and margins. Most notably, the company imports key components from UK and German companies it acquired in recent years. Estun also lowered some product prices, squeezing margins even more. However, we believe the negative market reaction has been overdone—driven more by broader market volatility and negative investor sentiment than a change in Estun's long-term fundamentals. In addition, Estun has been shifting more component production to China in order to reduce supply risks.

Shares of Alibaba, China's largest e-commerce platform, have been heavily penalized by the Chinese government's recent regulatory campaign aimed at the country's technology companies. While near-term regulatory risk is significant, the Chinese government still supports marketplace innovation; the government's stated intention is to reduce anti-competitive behavior, improve data privacy and protect both consumers and employees. We believe Alibaba's core e-commerce business remains highly attractive and the stock price has considerable upside potential. Even after taking into consideration the regulatory impact, especially to its financial business, we believe Alibaba still can generate strong, sustainable earnings growth.

Zhuzhou CRRC Times Electric provides and integrates train-borne electrical systems for China's railway industry. Shares of Zhuzhou rallied in the first half of the year, due in large part to the strong outlook for its non-rail business, but gave back some gains amid China's third-quarter market volatility. We believe Zhuzhou's non-rail business has a sustainable competitive advantage and provides unique access to growth. Zhuzhou designs and manufactures 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 fast. In addition, the Chinese government wants to rapidly develop domestic high-tech industries and the country's power grid.

Among our most significant Q3 relative contributors were Havells India, Kajaria Ceramics and MercadoLibre. Havells India is an electrical goods company focused on lighting products, fans, switches, cables, switchgears and consumer appliances. India's severe wave of the COVID-19 delta variant receded in the third quarter, allowing the country to start reopening. We believe Havells has done a good job navigating the pandemic and will benefit from any pent-up consumer demand in the near term. Havells' long-term prospects look strong as well. India has a rising urban middle class, which is aspirational in nature and prefers branded products sold within the organized retail market. Havells also has plans to expand aggressively into semi-urban and rural markets, as India is significantly expanding electrification and improving power supply reliability in these areas.

Kajaria Ceramics is India's largest tile manufacturer. COVID-19 dampened Indian consumer demand and Kajaria's profitability over the past year, but similar to Havells, the company is well-positioned as India's economy reopens. Kajaria has been increasing capacity and gaining domestic market share, providing the company with a positive growth outlook.

MercadoLibre, Latin America's leading online commerce platform, has benefited from and contributed to the region's increasing e-commerce penetration. Years of significant investments in its logistics network, data analysis and Pago digital wallet platform are helping MercadoLibre gain market share, improve its operational efficiency, enhance its online ecosystem and increase profitability. We believe e-commerce in Latin America will likely become more competitive as the industry matures, but MercadoLibre's investments should allow the company to maintain its operational advantage and enable long-term earnings growth.

Portfolio Activity

Portfolio activity was limited this quarter. 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 that are trading at compelling valuations.

We initiated positions in GPS Participacoes e Empreendimentos and NIO. GPS is Brazil's largest outsourcing provider, with a complete portfolio of services, including facilities management, security, industrial and indoor logistics. The company's leading position in a fragmented and underpenetrated market gives it a strong growth outlook. GPS also has multiple competitive advantages. It relies on technology to enhance efficiency and customer service, such as monitor job completion, suggest new services and track work history. GPS maintains a strong balance sheet and settles most labor claims up front, avoiding an accumulation of legal liabilities. In Brazil, customers assume legal labor claims if the contracted outsourcing company can't pay (e.g., bankruptcy). From an ESG perspective, GPS uses only concentrated and biodegradable cleaning products and operates battery-powered machines. The company provides employees—many of whom have lower socioeconomic backgrounds—attractive pay and benefits, as well as training and advancement opportunities.

NIO manufactures EVs and provides battery charging services. As already stated, China is the world's largest EV market, and the penetration rate is expected to increase from nearly 5% today to 35% by 2030. Government policy is supportive of EVs, consumers are increasingly receptive to smart EVs, and growth in ridesharing is accelerating EV penetration. Overall, we believe NIO is the best positioned domestic EV manufacturer due to its technology and early-mover advantages. NIO's existing scale and premium SUV product offerings give it an attractive competitive position. Its vehicles are less expensive than Teslas, but more premium than other Chinese EV brands. In addition, NIO's proprietary battery-swapping technology enables it to offer Battery-as-a-Service (BaaS). Consumers can purchase vehicles without batteries at a reduced price and opt for a monthly battery pack subscription.

We exited our position in Banco Davivienda. The lender has a strong presence in Colombia due in part to DaviPlata, its e-banking platform. However, the pandemic severely impacted Colombia's economy. While we expect Banco Davivienda to recover, a return to pre-pandemic sustainable ROE will likely take a long time. We redeployed this capital into our new positions as well as higher conviction existing positions.

Perspective

Emerging markets appear to be making progress in the battle against COVID-19, with fewer countries confronting widespread humanitarian and economic crises. India's receding number of new cases and deaths has been 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.

Our experience of two decades through various market cycles and environments gives 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 enduring growth and 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.

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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The Sustainable Industry Classification System (SICS®) is the exclusive intellectual property of Sustainability Accounting Standards Board (SASB). SICS is intended to group companies based on their shared sustainability-related risks and opportunities.

This summary represents the views of the portfolio manager as of 30 Sep 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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For Institutional Investors – Not for Onward Distribution

Artisan Sustainable Emerging Markets Strategy

Quarterly Contribution to Return (% USD)

As of 30 September 2021

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Havells India Ltd	1.51	0.44	1.75
Kajaria Ceramics Ltd	2.09	0.40	2.43
Reliance Industries Ltd	2.02	0.36	2.41
ICICI Bank Ltd	2.24	0.21	2.38
Sberbank of Russia PJSC	1.75	0.20	1.99
MercadoLibre Inc	3.44	0.19	3.50
Sea Ltd	1.27	0.17	1.39
FirstRand Ltd	1.16	0.15	1.32
Tongwei Co Ltd	0.76	0.12	0.84
LUKOIL PJSC	1.78	0.12	2.03
Yandex NV	0.95	0.11	1.10
Grupo Financiero Galicia SA	0.58	0.09	0.68
Commercial International Bank Egypt SAE	1.28	0.09	1.30
Copa Holdings SA	0.65	0.06	0.77
Banco Davivienda SA	0.45	0.06	0.00
E Ink Holdings Inc	2.96	0.04	2.86
Indofood CBP Sukses Makmur Tbk PT	0.50	0.03	0.53
Fomento Economico Mexicano SAB de CV	1.01	0.02	1.04
JUMBO SA	1.09	0.01	1.18
Kaspi.KZ JSC	0.87	0.00	1.17
Public Bank Bhd	0.94	0.00	1.00
China High Precision Automation Group Ltd	0.00	0.00	0.00
Alpha Services and Holdings SA	1.38	-0.00	1.41
Bank Rakyat Indonesia Persero Tbk PT	0.91	-0.00	0.97
Bangkok Bank PCL	0.30	-0.00	0.33
Cash Holdings	3.42	-0.00	3.63
GPS Participacoes e Empreendimentos SA	0.13	-0.01	0.62
Sunny Friend Environmental Technology Co Ltd	1.33	-0.03	1.35
Samsung Biologics Co Ltd	1.80	-0.03	1.76
HYBE Co Ltd	1.31	-0.04	1.38
Turkiye Sinai Kalkinma Bankasi AS	0.51	-0.04	0.48
Shinhan Financial Group Co Ltd	0.94	-0.05	1.00

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Alibaba Group Holding Ltd	5.83	-2.51	4.87
Estun Automation Co Ltd	2.19	-1.08	1.55
Samsung Electronics Co Ltd	7.28	-0.91	7.14
Zhuzhou CRRC Times Electric Co	3.21	-0.65	2.56
Vale SA	1.42	-0.50	1.06
Prosus NV	2.45	-0.48	2.35
Baidu Inc	1.43	-0.43	1.38
Wuhan Raycus Fiber Laser Technologies Co Ltd	1.44	-0.37	1.31
Polyus PJSC	2.28	-0.34	2.15
Aeris Industria E Comercio De Equipamentos Para Geracao De Energia SA	1.13	-0.33	1.05
China Traditional Chinese Medicine Holdings Co Ltd	1.18	-0.33	1.15
Focus Energia Holding Participacoes SA	1.30	-0.33	1.23
Hidrovias do Brasil SA	0.56	-0.32	0.43
Baozun Inc	0.47	-0.32	0.35
Noah Holdings Ltd	1.19	-0.29	1.16
Sino Biopharmaceutical Ltd	1.59	-0.26	1.60
Taiwan Semiconductor Manufacturing Co Ltd	9.00	-0.22	9.25
Empresa Nacional de Telecomunicaciones SA	0.75	-0.20	0.68
MMC Norilsk Nickel PJSC	1.36	-0.17	1.30
Trip.com Group Ltd	0.89	-0.15	0.97
Itau Unibanco Holding SA	1.18	-0.12	1.16
Cemex SAB de CV	0.86	-0.12	0.82
Kingsoft Cloud Holdings Ltd	0.64	-0.11	0.64
Sinopharm Group Co Ltd	0.78	-0.11	0.79
AIA Group Ltd	1.61	-0.10	1.63
NIO Inc	0.35	-0.09	0.43
Ozon Holdings PLC	0.58	-0.08	0.59
Mr Price Group Ltd	0.80	-0.08	0.77
Vina Concha y Toro SA	0.69	-0.07	0.69
MediaTek Inc	2.34	-0.06	2.41
Metropolis Healthcare Ltd	1.15	-0.06	1.12
Credicorp Ltd	0.75	-0.05	0.80

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