



Portfolio Management
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Market Backdrop

Artisan Developing World Strategy (gross) returned -18.88% for the quarter ended March 31, 2022, versus -6.97% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Asset price movements during the quarter were dominated by changes in inflation expectations, even before Russia's invasion of Ukraine. Ten-year US Treasury yields increased 69bps during the quarter to 2.32%, and US 10-year inflation breakeven increased 24bps to 2.60%. The Federal Reserve accelerated policy normalization efforts, and market participants digested the possibility of policy rate hikes in 50bps increments. The European Central Bank also signaled willingness to temper policy accommodation sooner than expected. The market continued to disavow itself of long-duration assets (i.e., technology stocks and long-term bonds), while emphasizing energy (Brent +37.1%) and commodities (MSCI EM Materials +3.3%). Reflecting this dynamic, there was wide divergence in emerging market performance by country. Commodity exporters including Brazil (+35.9%), UAE (+21.2%), South Africa (+20.3%), Saudi Arabia (+17.4%) and Indonesia (+9.6%) all produced positive returns. China was the worst performing major market (-14.2%) reflecting domestic economic weakness, the country's zero-COVID policy and tensions with the West. In particular, China's "no limits" partnership with Russia introduced during the Olympic games led investors to question the nature of the support China might be willing to provide Russia. Korea (-9.6%) and Taiwan (-6.6%) also declined during the quarter. It should be noted that Russia was removed from the MSCI Emerging Markets Index, following market closures and the near-complete erosion of equity value in the country.

Contributors and Detractors

Top contributors to performance included endpoint security company CrowdStrike, online travel marketplace Airbnb, graphics semiconductor company Nvidia, electronic payments network Visa and Latin American marketplace MercadoLibre. CrowdStrike rose as Russia's invasion of Ukraine led to increased focus on enterprise security, and as quarterly results highlighted new wins and expanded customer relationships. Airbnb benefited from reduced border restrictions and a surge in summer bookings, while near-term business development continues to be supported by resilient demand for long-term accommodations. Nvidia benefited from continued data center momentum and resilient gaming demand and used its developer conference in March to highlight new product architectures and the company's long-term software revenue potential. Visa benefited from global reopening trends (including recovery in cross-border travel), improvement in credit card volumes and continued development of new payment

streams. MercadoLibre benefited from resilient demand in its e-commerce business and significant progress in its lending and payments initiatives.

Bottom contributors to performance included ASEAN gaming and e-commerce company Sea, Chinese local services company Meituan, Chinese video streaming platform Bilibili, Chinese health care services company Wuxi Biologic, and Russian Internet company Yandex. Sea declined due to weak gaming guidance and a ban of the company's most popular game in India (which likely reflected continued tension between India and China), and from global reopening pressure on the gaming industry. Meituan declined due to the emergence of the omicron variant in China which could pressure food delivery demand, as well as fears that regulatory proposals to support "services industries" could impact profitability. Bilibili declined due to continued concerns on content regulation, low visibility into resumed gaming approvals, and a weaker ad backdrop. Wuxi declined after the company was added to the US "Unverified List," after being unable to complete end-use checks of imported filters and bioreactors. Yandex was negatively affected by financial sanctions on Russia, and the company's shares were halted which may render Yandex in default of a convertible bond clause.

Market Outlook

Domestic demand in the emerging markets is rooted in low penetration, attractive demographics and rapid capital formation. Low penetration is still a feature of many emerging markets, yet much of this domestic demand potential remains relatively dormant as visible in declining potential output. For example, ten years ago, economists might have estimated Brazil's potential output at 4.5% and India's at 8.5%. Today, those estimates might be 2.0% and 6.0%, respectively. One reason for this decline in potential output is that demographics are less compelling than they seem. Specifically, many emerging markets have been unable to produce the skilled workers that would allow their countries to move up the value chain, because they have been slow to invest in education and human capital (even in periods of high commodity prices such as this one). Thus, while foreign capital may come to emerging markets to support low-cost production or capture latent domestic demand, it has little incentive or ability to develop truly innovative businesses in such countries. For example, Thailand continues to receive investment in the electronics supply chain but has generally been unable to translate these gains into better jobs higher up the value chain. Moreover, foreign capital has largely had a poor experience in emerging markets. Russia is perhaps the most glaring example of this dynamic, beginning with Yukos in 2003 and punctuated by this quarter's unfortunate events. A more subtle example occurred in February when the mobile application for Sea's burgeoning online gaming business was banned by India's regulators, which may have prompted Sea to withdraw from its e-commerce investments weeks later. Had it stayed, Sea might also have developed payments assets, or created jobs and new

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.

ecosystems for innovation in India. Other examples include referendums against a brewery and an airport concession in Mexico, suspensions of mining production in Peru and retroactive tax bills in India. Moreover, since emerging markets are increasingly indebted (in part due to budget increases in response COVID-19), they increasingly lack their own domestic engines for capital formation. What we are describing is a recipe for challenged skilled labor formation, elusive capital formation, waning productivity and falling potential output. Emerging markets may be optimally embraced for what they are not (i.e., relatively immune to global economic and political developments) rather than what they are. Alternatively, we can capture latent domestic demand in the emerging markets with businesses that have innovative and aspirational products developed abroad, or with scalable businesses domestically.

One notable exception is China, which nominally has a reservoir of skilled labor (despite an aging population) and excellent capacity for domestic capital formation. Despite these capabilities, China equity markets have experienced substantial declines in recent quarters. While there are many factors at play (low fiscal impetus, domestic regulation, zero-COVID policy, China's relationship with Russia, etc.), each is arguably rooted in deteriorating external relations with the West. For example, China has pursued debt sustainability at the expense of economic growth to ensure manageable levels of overall indebtedness and external liability, should relations with the West deteriorate further. Similarly, given the high transmissibility of the omicron variant, China's zero-COVID policy can perhaps be best understood through a desire to insulate the country from dependence on Western medicine. These and similar developments become long-term economic events when they affect the pace and composition of capital formation. Growth in total social finance (or TSF, an aggregate measure of credit growth) is relatively unchanged, suggesting a persistent capital formation capability. However, domestic regulation could lead to capital allocation that is less aligned to innovation and productivity, and that is better suited to government objectives. A resumption in the IPO pipeline of innovative Chinese companies, as distinct from an acceleration in TSF growth, might be an indication that productivity-enhancing domestic capital formation is again vibrant. It should be noted that China continues to offer attractive, if reduced, levels of potential output, in a global and emerging markets context.

Portfolio Positioning

We have often stated our desire to enhance value in periods of chaos. Ideally, we do so by leveraging value pathways, including correlations. In extreme market environments, correlations may be too high to enhance value in this manner. We also rely on a concept called Flexion, which we define as the ability to deemphasize investments while preserving value pathways, to enhance portfolio outcomes. For example, Farfetch is a company with a strategic position in the luxury goods market that is struggling to establish scale despite high take rates in its core marketplace business. As

markets deteriorated and correlations increased, we used Farfetch to gradually fund more scalable investments such as CrowdStrike, Unity and Snap. Gradual rather than immediate sales preserve residual positions and ultimately value pathways, since residuals balance the urgency of a deteriorating business assessment against the integrity of portfolio outcomes (including the possibility that your business assessment is wrong). We did not make our business model assessment about Farfetch in a day; we built conviction in it and expressed that conviction gradually. In China, we have similarly had the reinvestment set to address deterioration in China's external environment while preserving portfolio outcomes. In practice, that might mean trimming Bilibili marginally at a depressed vintage (and moment of high tax efficiency) to fund Sea, which in our judgment has commensurate upside and significantly lower policy risk. However, Flexion also allows us to preserve value pathways in China (i.e., a residual Bilibili position can reflate) in a way that a more binary approach might not. In fact, Flexion provides pathways to both higher and lower weights. In this way, Flexion is a tool for addressing deterioration in a corporate, economic or geopolitical variable, in a way that preserves the integrity of portfolio outcomes.

We also wish to underscore that value is often assumed to be static. For truly scalable companies, value creation can occur quickly and disproportionately. This potential is the reason we have identified investments with one or more dimensions of scalability. Thus, even as the investment world migrates to today's investment fashions, value continues to accrue to a disproportionate few. For example, Marriott is perhaps the preeminent hospitality company in the world with over 30 well-recognized hotel brands. Marriott is projected to generate \$2.7bn in CY22 operating profit, growing to \$4.8bn in CY26. Airbnb is a relative newcomer but a highly scalable company. It has a natural liability engine where hosts are drawn to the platform by word of mouth. Revenues can accrue with little incremental cost (i.e., single scalable platform). The company can serve hosts and customers all over the world with marginal local investment (i.e., borderless scale). As a result, operating profit is projected to increase from \$1.3bn in CY22 to \$4.7bn in CY25. That progression highlights the scale of the value creation at Airbnb. Similarly, KFC and Pizza Hut operator Yum China is projected to have operating profit of \$903mn in CY22, growing to \$2.7bn by CY26. By comparison, Meituan is projected to have \$4.5bn in operating profit in its food delivery business alone in CY26 (off a CY22 base of \$1.1bn), plus an additional \$5.7bn in operating profits from its local services operations. We would also note that scalability is the reason inflationary inputs and pricing power are not really relevant for most of our investments: if revenue generation occurs quickly and with proper margins, the inherent operating leverage can easily absorb inflationary inputs. At times, significant and sustained value creation can converge with price declines to create good long-term entry points in moments of chaos.

We thank you for your trust and confidence.

Investment Results (% USD)

As of 31 March 2022	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Composite — Gross	-18.88	-18.88	-24.25	16.47	15.24	—	12.93
Composite — Net	-19.11	-19.11	-25.06	15.27	14.04	—	11.76
MSCI Emerging Markets Index	-6.97	-6.97	-11.37	4.93	5.97	—	4.76

Annual Returns (% USD) 12 months ended 31 March	2018	2019	2020	2021	2022
Composite — Gross	22.60	4.90	7.26	94.54	-24.25

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. 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 MSCI Emerging Markets Materials Index includes large and mid-cap companies in the materials sector across emerging markets countries. Brent return reflects the performance of the Brent Crude June 2022 futures. Emerging markets returns and country-specific index returns are in USD unless otherwise stated. All single country returns are net returns based on MSCI country indices. 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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Operating profit is the net income derived from a company's primary or core business operations.

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For Institutional Investors — Not for Onward Distribution



Artisan Developing World Strategy

Quarterly Contribution to Return (% USD)

As of 31 March 2022

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Crowdstrike Holdings Inc	4.82	0.90	4.97
Airbnb Inc	6.40	0.37	6.64
NVIDIA Corp	5.37	0.21	6.43
Visa Inc	5.15	0.19	4.78
Mastercard Inc	0.90	0.01	1.11
Cash Holdings	1.61	0.00	2.41
JD.com Inc	0.12	-0.04	0.00
Alibaba Group Holding Ltd	0.68	-0.10	0.00
MercadoLibre Inc	6.09	-0.10	6.29
Uber Technologies Inc	0.35	-0.13	0.00
HDFC Bank Ltd	3.38	-0.14	3.23
Align Technology Inc	0.56	-0.18	1.16
Hermes International	1.13	-0.19	1.16
Farfetch Ltd	0.19	-0.27	0.00
LVMH Moet Hennessy Louis Vuitton SE	3.17	-0.33	3.31
China Tourism Group Duty Free Corp Ltd	1.05	-0.34	0.93
Zhangzhou Pientzhuang Pharmaceutical Co Ltd	1.10	-0.35	1.11

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Sea Ltd	5.94	-2.84	6.17
Meituan	5.09	-2.06	5.04
Bilibili Inc	3.05	-1.73	2.21
Wuxi Biologics Cayman Inc	3.41	-1.64	2.49
Yandex NV	0.73	-1.52	0.00
Netflix Inc	3.30	-1.28	3.25
Tencent Holdings Ltd	4.61	-1.00	3.70
Adyen NV	4.73	-0.90	4.84
Unity Software Inc	3.85	-0.89	4.99
Aier Eye Hospital Group Co Ltd	2.19	-0.80	1.66
Snap Inc	4.14	-0.67	4.99
The Estee Lauder Cos Inc	2.35	-0.65	2.27
Veeva Systems Inc	4.37	-0.64	4.50
Kweichow Moutai Co Ltd	3.18	-0.62	3.22
Shenzhen Mindray Bio-Medical Electronics Co Ltd	2.21	-0.47	2.12
ASML Holding NV	3.44	-0.45	3.28
JD Health International Inc	1.34	-0.44	1.73

Source: Artisan Partners/FactSet. Performance is historical and is not a reliable indicator of future results. As of 31 Mar 2022. 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.