



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 2022	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Composite — Gross	-12.63	-25.65	-31.75	-0.52	2.40	4.16	4.61
Composite — Net	-12.83	-26.01	-32.41	-1.50	1.39	3.11	3.53
MSCI Emerging Markets Index	-11.45	-17.63	-25.28	0.57	2.18	3.06	4.27

Annual Returns (% USD) 12 months ended 30 June

	2018	2019	2020	2021	2022
Composite — Gross	10.14	3.82	-2.14	47.39	-31.75

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 got caught up in a volatile Q2, finishing behind the MSCI Emerging Markets Index. Although emerging markets stocks posted a fourth consecutive quarterly decline—the longest slide since the GFC—they fared better than developed markets overall for both Q2 and YTD. Disrupted global supply chains, intensifying inflation pressures, volatile commodity markets, aggressive monetary tightening by central banks and resultant concerns of slower global economic growth all weighed on stocks. Taiwan and Korea were the benchmark's largest Q2 detractors, while China was the benchmark's sole Q2 contributor.

Among our leading Q2 relative detractors were MercadoLibre, HYBE and GPS Participacoes e Empreendimentos. Shares of MercadoLibre, Latin America's leading online commerce platform, have been hampered by a series of factors: a de-rating of technology stocks; higher energy prices and interest rates; consumers returning to stores or spending more on services as COVID-related restrictions have been removed; and loan portfolio performance concerns given economic uncertainty and rising interest rates. However, the company has noted online traffic gains made during the pandemic have been holding up well. And we believe MercadoLibre has a comprehensive ecosystem—logistics, data analysis, advertising and a digital payments and lending platform—that gives it a sustainable competitive advantage.

HYBE is a Korean music-based entertainment company. The company's original and most profitable performers, K-pop group BTS, unexpectedly announced a hiatus so that members may pursue solo projects. We believe HYBE is well positioned to get past the near-term hit from BTS' hiatus; it has been building a portfolio of musical groups, revamping Weverse (a digital platform for fans) and building a video game development business. In addition, HYBE will be the management agency for BTS members' solo projects.

GPS Participacoes e Empreendimentos is Brazil's largest outsourcing provider, with a complete portfolio of services, including facilities management, security, industrial and indoor logistics. The stock has been caught up in Brazil's economic headwinds, particularly the challenges of inflation as it seeks to preserve margins by attempting to pass along cost increases to clients. GPS also has been dealing with increased expenses from a round of acquisitions, but we believe the financial drag will prove to be temporary. Looking ahead, GPS has a strong track record of integrating newly acquired businesses, which should enable it to gain market share in a fragmented and underpenetrated industry. From an ESG perspective, employees of the acquired companies could benefit. Many workers within the industry come from lower socioeconomic backgrounds, and GPS provides its employees comparatively attractive pay, benefits, training and advancement opportunities.

Among our leading Q2 relative contributors were Zhuzhou CRRC Times Electric, Estun Automation and E Ink. Zhuzhou provides and integrates train-borne electrical systems for China's railway industry.

Rail activity will likely pick up as China eases its severe COVID-related restrictions, which bodes well for rail equipment aftersales and maintenance. However, Zhuzhou's non-rail business is becoming the more important sustainable competitive advantage and long-term growth driver. Zhuzhou is pushing to expand its production of 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 still growing at a strong pace. In addition, the Chinese government is pushing to develop the country's power grid and domestic high-tech industries.

Estun Automation is a leading domestic Chinese robot producer. Earlier in the year, Estun had been hurt by China's COVID-19 policy, higher costs and chip shortages, although conditions appeared to improve near the end of the quarter. We believe any prior demand weakness will prove to be temporary with orders more likely to have been postponed than entirely lost. Estun has also increased its prices, looked to trim costs, pushed more component production to China—particularly from Europe—and attempted to improve operating leverage. Longer term, we believe Estun's efforts to roll out new products and move into new product areas will help improve sales and margins.

E Ink is a Taiwan-based producer of ePaper technology—used in e-readers such as Amazon's Kindle—and electronic shelf label (ESL) systems. We believe E Ink remains well positioned despite emerging concerns that consumer spending could weaken due to a slowdown in the global economy. E Ink recently introduced the next generation of its Advanced Color ePaper which could support demand for its ePaper technology. We also believe global adoption of its ESL technology will remain strong given its multiple benefits for retailers: increased efficiency, more dynamic pricing practices, and reduced paper and energy usage—power is not required to maintain a screen display.

Portfolio Activity

No matter the market environment, valuation is an important part of our investment process—we always seek companies with sustainable growth characteristics and trading at compelling valuations. Amid the market weakness, some companies we have been following became more attractive, offering a greater degree of upside potential. We initiated positions in Infosys, Jeronimo Martins and Vietnam Technological & Commercial Joint Stock Bank (TCB).

Infosys is one of the largest IT services companies in India, providing digital services and consulting to companies around the world. We took advantage of the recent pullback in technology stocks to establish a position in Infosys. The company has been addressing new technology trends (e.g., cloud migration), has established a reputation for quality and has gained market share by securing deals with large companies. We believe Infosys can keep capitalizing on the secular trend in offshore IT services by leveraging its scale and ability to move

up the IT value chain. From a sustainability perspective, Infosys has been making strides in multiple areas: it has been carbon neutral since 2020 and aims to be net zero by 2040; its workforce is 40% female which is higher than the industry; and it has developed thorough ESG reporting and targets.

Jeronimo Martins is a food and household products retailer domiciled in Portugal, but more than two thirds of its sales come from Poland and it is rapidly expanding in Colombia. Jeronimo is the largest, most efficient and dominant player in the market which makes it a key distributor of fast-moving consumer goods in Poland. While inflation pressures pose a challenge, we believe Jeronimo's purchasing power and competitive advantages will help it better handle those pressures, accelerate revenue growth and potentially gain market share. In Colombia, the company has been able to improve its margins, primarily through operating leverage, despite economic and political uncertainty. In addition, Jeronimo is likely to see near-term boosts from the influx of Ukrainians into Poland and a recovery in tourists to Portugal.

TCB is one of Vietnam's largest commercial banks, offering personal and corporate services. TCB is a best-of-breed bank with its strong management team providing a key competitive advantage in a market dominated by less innovative state-owned lenders that have a social mandate besides profitability. The combination of Vietnam's large and young population, expanding workforce and rapidly rising income will likely support growth in domestic consumption. TCB already has a dominant position among Vietnam's affluent/mass-affluent populations, but it is also improving its digital presence, offering competitive funding, providing a robust set of investment banking services and building strong partnerships with Vietnam's major conglomerates. We believe TCB can maintain its already impressive operating performance while continuing to expand.

Conversely, we exited multiple positions in Q2—Kakaopay, Metropolis Healthcare and Turkiye Sinai Kalkinma Bankasi. We exited the three names with the purpose of redeploying capital into this quarter's new positions and higher-conviction existing positions.

Perspective

Emerging markets economies may continue to have a challenging 2022. The war in Ukraine risks turning into a protracted conflict while tensions between Russia on one side and Europe and the US on the other side escalate. We also see economic headwinds from elevated commodity costs, rising interest rates, currency market volatility and signs of slower global growth.

If these challenges persist, they will likely sharpen demand among long-term investors for companies with the established abilities to generate sustainable growth and enduring earnings. We believe those abilities are more prevalent among companies that have unique access to growth and/or a long-term, defensible competitive advantage.

From a bottom-up perspective, we believe there is significant upside potential across parts of emerging markets given the combination of weak equity market conditions, generally positive corporate financial health and sustainable growth opportunities still intact for many companies. Further, we believe the portfolio's overall upside potential is significantly above average.

Examples within the portfolio include e-commerce companies—they could see stronger demand in an inflationary environment and have competitive advantages (e.g., price, logistics and scale) over many traditional retailers. We also believe banks could benefit from the expected rate environment.

Our team is hopeful about Latin America—the pandemic appears to be receding, and political conditions are less uncertain and less negative. Even in Brazil, the upcoming presidential election is between two well-known politicians. We also see meaningful opportunity in India and other parts of Asia.

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. As pandemic-related restrictions have eased, we have begun to increase our international travel. Given the current turbulence and as we emerge from a pandemic that kept us largely grounded for two years, we believe travel is especially important.

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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.

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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.

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This summary represents the views of the portfolio manager as of 30 Jun 2022. 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. The **global financial crisis (GFC)** refers to the period of extreme stress in global financial markets and banking systems between mid-2007 and early 2009.

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For Institutional Investors – Not for Onward Distribution



Artisan Sustainable Emerging Markets Strategy

Quarterly Contribution to Return (% USD)

As of 30 June 2022

Top Contributors	Average Weight	Contribution to Return	Ending Weight
Zhuzhou CRRC Times Electric Co Ltd	3.01	0.95	3.93
Estun Automation Co Ltd	2.94	0.84	3.34
Prosus NV	1.90	0.53	2.60
Tongwei Co Ltd	0.93	0.36	1.30
China Traditional Chinese Medicine Holdings Co Ltd	1.50	0.35	2.44
Alibaba Group Holding Ltd	4.20	0.28	5.11
Sino Biopharmaceutical Ltd	2.33	0.23	2.89
Baidu Inc	1.55	0.22	1.86
Trip.com Group Ltd	0.94	0.20	1.23
Indofood CBP Sukses Makmur Tbk PT	0.67	0.16	0.82
E Ink Holdings Inc	4.16	0.15	3.68
Turkiye Sinai Kalkinma Bankasi AS	0.08	0.14	0.00
AIA Group Ltd	1.83	0.12	2.07
NIO Inc	0.88	0.08	1.10
Baozun Inc	0.22	0.07	0.29
Cash Holdings	4.59	0.05	4.11
Empresa Nacional de Telecomunicaciones SA	0.95	0.05	0.81
LUKOIL PJSC	0.00	0.00	0.00
MMC Norilsk Nickel PJSC	0.00	0.00	0.00
Ozon Holdings PLC	0.00	0.00	0.00
Polyus PJSC	0.00	0.00	0.00
Sberbank of Russia PJSC	0.00	0.00	0.00
Yandex NV	0.00	0.00	0.00
Corp Inmobiliaria Vesta SAB de CV	1.35	-0.01	1.40
Wuhan Raycus Fiber Laser Technologies Co Ltd	1.09	-0.01	1.33
Infosys Ltd	0.29	-0.03	1.50
Bangkok Bank PCL	0.70	-0.05	0.72
Vietnam Technological & Commercial Joint Stock Bank	0.23	-0.06	0.36
Kingsoft Cloud Holdings Ltd	0.26	-0.08	0.38
Sunny Friend Environmental Technology Co Ltd	1.76	-0.09	1.67
Noah Holdings Ltd	0.75	-0.10	0.84

Bottom Contributors	Average Weight	Contribution to Return	Ending Weight
Taiwan Semiconductor Manufacturing Co Ltd	10.48	-2.52	9.58
Samsung Electronics Co Ltd	7.71	-1.88	6.76
MercadoLibre Inc	2.42	-1.47	1.86
HYBE Co Ltd	1.29	-0.99	0.83
Vale SA	2.23	-0.67	1.98
GPS Participacoes e Empreendimentos SA	1.26	-0.66	0.95
MediaTek Inc	2.72	-0.66	2.90
Aeris Industria E Comercio De Equipamentos Para Geracao De Energia SA	0.79	-0.64	0.51
Despegar.com Corp	1.35	-0.54	1.08
FirstRand Ltd	1.76	-0.52	1.61
Alpha Services and Holdings SA	1.51	-0.52	1.31
Globant SA	1.15	-0.47	1.07
Kakaopay Corp	0.55	-0.47	0.00
Itau Unibanco Holding SA	1.72	-0.43	1.52
Credicorp Ltd	1.29	-0.39	1.18
Metropolis Healthcare Ltd	0.80	-0.31	0.00
Sea Ltd	0.53	-0.30	0.44
Grupo Financiero Galicia SA	0.78	-0.28	0.63
Bank Rakyat Indonesia Persero Tbk PT	1.46	-0.23	1.37
ICICI Bank Ltd	3.02	-0.23	3.02
Kaspi.KZ JSC	1.58	-0.22	1.34
Reliance Industries Ltd	3.09	-0.21	3.14
Shinhan Financial Group Co Ltd	1.23	-0.20	1.13
Fomento Economico Mexicano SAB de CV	1.15	-0.20	1.10
Samsung Biologics Co Ltd	1.98	-0.20	1.96
Havells India Ltd	1.89	-0.18	1.76
Cemex SAB de CV	0.64	-0.18	0.61
Lojas Renner SA	0.65	-0.17	0.58
Public Bank Bhd	1.44	-0.16	1.42
Mytilineos SA	1.41	-0.14	1.26
Vina Concha y Toro SA	0.94	-0.13	0.91

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