

Artisan Sustainable Emerging Markets Strategy

QUARTERLY
Commentary

As of 31 December 2023

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 focuses on identifying historical drivers of return on equity, and our strategic analysis examines a company's competitive advantages and financial strength.

Sustainability Assessment

We believe a company's long-term direction and degree of change across multiple environmental, social and governance ("ESG") metrics are important indicators of a company's sustainable growth potential. Our sustainability assessment has incident-based and empirical components to evaluate a company's historical, current and future potential behavior. We use a proprietary scoring system for the incident-based and empirical components of the assessment, which informs the team's view of a company's target price.

Risk Analysis

We believe a disciplined risk framework allows greater focus on fundamental stock selection. We incorporate our assessment of company-specific, sustainability and country-appropriate macroeconomic risk factors into our valuation analysis.

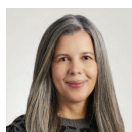
Valuation

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 based on its sustainable earnings and our risk analysis.

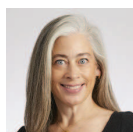
Team Overview

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



Javier Cervantes
Analyst

Investment Results (% USD)

As of 31 December 2023	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception ¹
Composite — Gross	8.31	18.30	18.30	-4.95	5.22	4.69	5.08
Composite — Net	8.08	17.31	17.31	-5.81	4.23	3.67	4.02
MSCI Emerging Markets Index	7.86	9.83	9.83	-5.08	3.68	2.66	4.27

Annual Returns (% USD) Trailing 12 months ended 31 December

	2019	2020	2021	2022	2023
Composite — Net	20.84	21.85	-1.27	-27.86	17.31

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

Emerging markets (EM) had a positive year as stocks surpassed global inflationary pressures and geopolitical uncertainty. Resilience in the asset class was propelled by central banks' decisive monetary policy actions to curb inflation, strengthen local currencies and attract investment. Positive tailwinds lifted investor sentiment throughout Q4. The MSCI Emerging Markets Index posted a positive return, with Taiwan, India and Korea as the benchmark's top contributors and China, Turkey and the UAE as the main detractors. Our portfolio comfortably outperformed the index for the year and fared slightly better than the index in Q4.

Our off-benchmark exposure to countries such as Argentina was a source of relative contribution throughout 2023, and Q4 was no exception. As bottom-up stock pickers, we invest in individual stocks that we believe deserve a place in the portfolio, regardless of their country of domicile. Last year's relative strength serves as a testament to our differentiated bottom-up stock selection approach, which enables us to identify opportunities in regions often overlooked by emerging market investors.

Top relative contributors in Q4 included MercadoLibre, MediaTek and Samsung Electronics. MercadoLibre, the leading e-commerce platform in Latin America, sustained a strong performance fostered by top-line growth and margin expansion. The company has strengthened its position in the market through strategic investments. MercadoLibre significantly upgraded its infrastructure, enabling new service capabilities and extending its product reach. The diversified growth approach, which goes beyond e-commerce to encompass higher margin financial services, is proving to be highly successful in Latin America and further boosting investor confidence.

Taiwan-based MediaTek is the largest fabless semiconductor design house outside the US. The company is building a technological competitive advantage by developing more advanced edge-computing products. Demand for this technology is poised to remain strong as artificial intelligence becomes widely available. In addition, MediaTek is expanding its design services to major US hyperscalers, and its chips continue to be instrumental in driving computer performance for top retail brands.

Samsung Electronics is one of the world's leading producers of memory semiconductors, mobile handsets and other digital convergence products. Following a Q3 setback, attributed to investor concerns that China's slowing economy could reduce demand and most notably reflected in a significant decline in memory chip prices, Samsung demonstrated resilience in Q4. The stock's recovery reaffirms Samsung's enduring strength. We believe Samsung has compelling fundamentals and a sustainable competitive advantage, attributable to its diversified product portfolio and cost leadership.

China's macroeconomic challenges weakened investor sentiment, posing a significant headwind for the asset class once again in Q4. The economic slowdown and limited government policy measures

present a challenging outlook for the country. Our main relative detractors included Wuxi Biologics, Zhuzhou CRRC Times Electric and Estun Automation.

Wuxi Biologics is a Chinese pharmaceutical company that researches, develops and manufactures antibody and biological drugs for customers worldwide. In Q4, the company lowered its 2023 forecast to account for declining sales from contracts related to COVID-19 vaccine development as the pandemic's urgency subsides. Despite the recent decline, we remain optimistic about Wuxi Biologics' long-term prospects. Although tightening financial conditions have slowed down biotech funding, we believe the company retains a strong market position and a diversified pipeline of projects to sustain growth.

Zhuzhou provides and integrates train-borne electrical systems for China's railway industry. While domestic railway demand has slowed due to limited government stimulus to the industry, the company's developing business segment is still expanding, especially insulated-gate bipolar transistors (IGBTs), which are an essential component in electric vehicles. Specialists have expressed concern about growing IGBT production capacity leading to potential oversupply in China, but we believe that only a fraction of the new capacity will be approved by automotive original equipment manufacturers, benefiting Zhuzhou's competitive position. We anticipate this segment will play a key role in driving the company's future performance.

Estun is a leading domestic Chinese robot producer. The company encountered sales disruptions during China's extended COVID-19 lockdown, and the country's reopening at the beginning of 2023 resulted in atypical seasonality throughout the year, with frontloaded sales in the first half negatively impacting second-half performance. We are confident that the company remains in a favorable position to capitalize on China's demand shift from foreign to domestic manufacturers. Historically, German and Japanese robot makers dominated the Chinese market, but Estun's success in taking market share signals a significant shift in the industry.

Portfolio Activity

We invested in UAE-based Borouge, a joint venture between Abu Dhabi National Oil Company (ADNOC) and the Austrian global petrochemical company Borealis. We like the company's ability to access feedstock from Abu Dhabi and utilize Borealis' state-of-the-art technology. This enables the production of premium-quality polymers with some of the highest margins in the industry. The company's cash flow generation supports investments in new technologies to enhance production efficiencies and develop cleaner products, establishing a sustainable competitive advantage that we believe will endure for years to come.

We also initiated a position in the South African company Gold Fields, one of the world's largest gold exploration and development

companies. The company's legacy business is in South Africa, but it has expanded geographically by leveraging its mining expertise. Today, Gold Fields' production spans across Africa, Australia and South America, resulting in well-diversified risk exposure. Historically, gold has proven to be an effective hedge against inflation, weak economic conditions and negative real yields. It also serves as political risk protection because its value lies outside the control of monetary and political authorities.

Perspective

Our 2024 investment outlook is primarily driven by valuation. EM, with a few exceptions such as India, offers the type of compelling valuations that align well with our bottom-up approach. Within this favorable environment, we aim to identify companies with a combination of sustainable earnings and appealing valuations in order to maximize upside potential.

Additionally, the evolving technology and innovation landscape in EM is a source of excitement. EM is increasingly becoming a hub for innovation and entrepreneurship, presenting us with compelling opportunities to invest in companies leading transformative trends such as artificial intelligence and energy transition.

On the political front, 2024 is poised to be a landmark election year, with over half of the world's population heading to the polls. We anticipate the political scene will directly impact investments. Insights from Argentina's election in Q4 hint at potential challenges and opportunities for EM investors stemming from upcoming election results. While political uncertainty poses volatility risk, stock price dislocations also open avenues for opportunities. We believe our fundamental investment approach will enable us to look through market fluctuations and capitalize on such opportunities.

In 2023, our team traveled extensively, sparking investment ideas and engaging with our portfolio companies. Sustainability was a key focus in these interactions. We look forward to discussing our findings in our 2023 sustainability report, which will be published in Q1 2024.

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Investment Risks: Non-diversified portfolios may invest larger portions of assets in securities of a smaller number of issuers and performance of a single issuer may have a greater impact to the portfolio's returns. 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 and less developed markets, including frontier 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.

For the purpose of determining the portfolio's holdings, securities of the same issuer are aggregated to determine the weight in the Strategy. The holdings mentioned above comprised the following percentages of a representative account within the Artisan Sustainable Emerging Markets Strategy Composite's total net assets as of 31 Dec 2023: Samsung Electronics Co Ltd 7.9%; MercadoLibre Inc 3.4%; MediaTek Inc 3.3%; Wuxi Biologics Cayman Inc 2.3%; Estun Automation Co Ltd 2.0%; Zhuzhou CRRC Times Electric Co Ltd 1.9%; Gold Fields Ltd 0.9%; Borouge PLC 0.4%. As of 3 Mar 2022, Russian holdings are valued at zero. Securities named in the Commentary, but not listed here are not held in the portfolio as of the date of this report.

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 31 Dec 2023. 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.

Return on Equity (ROE) is a profitability ratio that measures the amount of net income returned as a percentage of shareholders' equity.

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