



# Artisan Sustainable Emerging Markets Fund

MONTHLY  
Commentary

Investor Class: ARTZX | Advisor Class: APDEX

As of 31 May 2024

## Commentary

Emerging markets (EM) equities showed modest growth in May. Signs of ongoing economic recovery supported stock prices despite persistent concerns of rising inflation and geopolitical conflicts. China has been the MSCI Emerging Markets Index's main contributor, while Korea has been the benchmark's largest detractor QTD. Our portfolio has underperformed the benchmark QTD.

Our leading relative detractors QTD include Estun Automation and GPS Participacoes e Empreendimentos. Estun is a leading domestic Chinese robot producer. Similar to industry peers, Estun has been affected by write-offs to accounts receivable, directly impacting profits. Despite weaker profitability, we recognize that the company has successfully gained market share from foreign robot manufacturers and has positioned itself favorably to capitalize on China's ongoing industrial expansion.

GPS is Brazil's largest outsourcing provider, with a complete portfolio of services including facilities management, security and industrial logistics. Despite strong quarterly results, the stock declined this month amid a volatile macroeconomic environment in Brazil. Nonetheless, we believe GPS is well positioned for future growth and reaffirm our belief in the company's commitment to driving positive change.

Our top relative contributors QTD include Havells and Taiwan Semiconductor Manufacturing Company (TSMC). Havells is a fast-moving electrical goods company in India. As a well-known brand with a diverse array of products, the company's recent positive performance has been driven by robust summer sales. We believe Havells has strong potential to benefit from multiple secular trends in India, including housing growth, improving access to electricity, a growing urban middle class and increasing preferences for branded retail products.

TSMC is the world's largest dedicated chip foundry. The company is playing a pivotal role in the semiconductor industry, particularly in artificial intelligence technology. The stock's strong performance QTD has been attributable to its leadership in advanced chip manufacturing and sustained global demand for AI, aided by new applications of the technology. We believe TSMC is well positioned strategically to capitalize as the demand for computing chips continues to grow.

Volatility is to be expected in emerging markets, and it can be extreme at times—a natural part of what we believe is a superior growth opportunity over longer periods. We maintain our disciplined process and closely monitor positions—including engagement with management teams—to adjust valuations and position size as we believe appropriate.

## Investment Results (%)

As of 31 May 2024	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	2.76	0.00	3.90	11.10	-6.33	3.69	3.67	0.67
Advisor Class: APDEX	2.76	0.00	3.97	11.22	-6.29	3.72	3.68	0.68
MSCI Emerging Markets Index	0.56	1.01	3.41	12.39	-6.23	3.55	2.66	1.55

As of 31 March 2024

Investor Class: ARTZX	3.20	3.90	3.90	11.76	-4.66	2.69	3.98	0.68
Advisor Class: APDEX	3.20	3.97	3.97	11.88	-4.62	2.71	3.99	0.69
MSCI Emerging Markets Index	2.48	2.37	2.37	8.15	-5.05	2.22	2.95	1.50

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. Class inception: Investor (2 June 2008); Advisor (27 April 2022). For the period prior to inception, Advisor Class performance is the Investor Class's return for that period ("Linked Performance"). Linked Performance has not been restated to reflect expenses of the Advisor Class and the share class's returns during that period would be different if such expenses were reflected.

Past performance does not guarantee and is not a reliable indicator of future results. Investment returns and principal values will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown. Call 800.344.1770 for current to most recent month-end performance. Performance may reflect agreements to limit a Fund's expenses, which would reduce performance if not in effect.

## Portfolio Details

	ARTZX	APDEX
Net Asset Value (NAV)	\$16.77	\$16.75
Inception	2 Jun 2008	27 Apr 2022
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2024 <sup>1,2,3</sup>	1.65/1.15	1.22/1.05
Prospectus 30 Sep 2023 <sup>2,3</sup>	1.75/1.16	1.34/1.06

<sup>1</sup>Unaudited, annualized for the six-month period. <sup>2</sup>Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. <sup>3</sup>See prospectus for further details.

## Top 10 Holdings (% of total portfolio)

Taiwan Semiconductor Manufacturing Co Ltd (Taiwan)	12.0
Samsung Electronics Co Ltd (Korea)	6.5
ICICI Bank Ltd (India)	3.9
MercadoLibre Inc (Argentina)	3.6
MediaTek Inc (Taiwan)	3.6
Reliance Industries Ltd (India)	3.1
Alibaba Group Holding Ltd (China)	3.1
Zhuzhou CRRC Times Electric Co Ltd (China)	2.8
E Ink Holdings Inc (Taiwan)	2.8
Prosus NV (Netherlands)	2.5
<b>TOTAL</b>	<b>43.8%</b>

Source: Artisan Partners. Portfolio country classifications are defined by the investment team.

## Sector Diversification (% of portfolio securities)

	Fund	MSCI EM <sup>1</sup>
Consumer Goods	10.9	7.3
Extractives & Minerals Processing	9.7	10.7
Financials	18.7	21.8
Food & Beverage	1.3	4.6
Health Care	4.5	3.5
Infrastructure	3.4	5.4
Renewable Resources & Alternative Energy	0.0	0.8
Resource Transformation	8.4	5.0
Services	1.6	1.3
Technology & Communications	38.6	34.3
Transportation	3.0	5.4
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/SASB/MSCI. Cash and cash equivalents represented 4.2% of the total portfolio. <sup>1</sup>MSCI Emerging Markets Index.

## Average Annual Total Returns

As of 31 May 2024	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTZX	2.76	0.00	3.90	11.10	-6.33	3.69	3.67	0.67
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## Region/Country Allocation (% of portfolio securities)

REGION	Fund	MSCI EM <sup>1</sup>
<b>EMERGING ASIA</b>	<b>63.4</b>	<b>80.3</b>
Taiwan	19.1	18.1
China	14.2	26.7
India	12.0	18.9
Korea	11.7	11.7
Vietnam	2.5	—
Indonesia	1.7	1.6
Malaysia	1.7	1.4
Thailand	0.6	1.4
<b>LATIN AMERICA</b>	<b>19.9</b>	<b>7.7</b>
Argentina	6.7	—
Brazil	6.3	4.5
Mexico	3.0	2.2
Peru	1.8	0.3
Chile	1.2	0.5
Panama	0.9	—
<b>EUROPE, MIDDLE EAST AND AFRICA</b>	<b>10.6</b>	<b>12.1</b>
South Africa	3.4	2.8
Greece	2.4	0.5
Kazakhstan	2.4	—
United Arab Emirates	1.1	1.1
Romania	1.0	—
Egypt	0.3	0.1
Russia	0.0	—
<b>DEVELOPED MARKETS</b>	<b>6.1</b>	<b>—</b>
Netherlands	4.4	—
Hong Kong	1.3	—
Singapore	0.4	—
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>

Source: Artisan Partners/MSCI. <sup>1</sup>MSCI Emerging Markets Index. Countries held in the index, but not held in the portfolio, are not listed. Portfolio country classifications are defined by the investment team and may differ substantially from MSCI classifications; index country classifications reflect MSCI methodology. For the portfolio's country breakdown according to MSCI methodology, refer to the Fund's most recent portfolio holdings at [www.sec.gov](http://www.sec.gov).

## Investment Team (Pictured left to right)



Portfolio Manager	Years of Investment Experience
Maria Negrete-Gruson, CFA	32
<b>Analysts</b>	
Meagan Nace, CFA	32
Chen Gu, CFA	36
Nicolas Rodriguez-Brizuela	24
Gurpreet Pal	20
Jessica Lin, CFA	19
Javier Cervantes	8

Carefully consider the Fund's investment objective, risks and charges and expenses. This and other important information is contained in the Fund's prospectus and summary prospectus, which can be obtained by calling 800.344.1770. Read carefully before investing.

Current and future portfolio holdings are subject to risk. The value of portfolio securities selected by the investment team may rise or fall in response to company, market, economic, political, regulatory or other news, at times greater than the market or benchmark index. A portfolio's environmental, social and governance ("ESG") considerations may limit the investment opportunities available and, as a result, the portfolio may forgo certain investment opportunities and underperform portfolios that do not consider ESG factors. Investments in which the team has determined to have sustainable growth characteristics may underperform other securities and may not achieve their sustainable growth potential. 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.

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.

For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Fund's total net assets as of 31 May 2024: Estun Automation Co Ltd 2.0%; GPS Participacoes e Empreendimentos SA 1.5%; Havells India Ltd 2.3%. As of 3 Mar 2022, Russian holdings are valued at zero. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

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Sector exposure percentages reflect sector designations as currently classified by SICS.

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