



### 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.

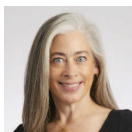
### Team Overview

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 March 2024	Average Annual Total Returns						
	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception <sup>1</sup>
<b>Composite — Gross</b>	<b>4.65</b>	<b>4.65</b>	<b>12.70</b>	<b>-3.80</b>	<b>3.92</b>	<b>5.28</b>	<b>5.28</b>
<b>Composite — Net</b>	<b>4.43</b>	<b>4.43</b>	<b>11.75</b>	<b>-4.66</b>	<b>2.96</b>	<b>4.25</b>	<b>4.22</b>
MSCI Emerging Markets Index	2.37	2.37	8.15	-5.05	2.22	2.94	4.35

### Annual Returns (% USD) Trailing 12 months ended 31 March

	2020	2021	2022	2023	2024
<b>Composite — Net</b>	<b>-19.73</b>	<b>66.33</b>	<b>-16.77</b>	<b>-6.83</b>	<b>11.75</b>

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. <sup>1</sup>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

Emerging markets (EM) equities fared well in Q1, with the MSCI Emerging Markets Index posting positive returns to start the new year. Early signs of progress in combating inflation prompted several EM central banks to start easing monetary policy, providing long-awaited relief to interest rates and bolstering growth prospects. Nevertheless, geopolitical tensions persist, posing a challenge for the asset class. Violent conflicts in Ukraine and the Middle East remain unresolved, directly impacting millions of lives and affecting value chains globally. Furthermore, China's economic deceleration, coupled with ongoing geopolitical frictions with the West, continues to weigh on investor sentiment. Taiwan and India were the main contributors to the MSCI Emerging Markets Index in Q1, while China and Brazil were the primary detractors. Our portfolio outperformed the benchmark in Q1.

Top relative contributors in Q1 included Taiwan Semiconductor Manufacturing Company (TSMC), E Ink and Vista Energy. TSMC is the world's largest dedicated chip foundry. The stock's recent strong performance can be attributed to the proliferation of artificial intelligence (AI) technology, which is witnessing a surge in new applications and use cases across various sectors. As a key provider of semiconductors for NVIDIA's popular AI chips, TSMC's significance as the backbone of the AI industry cannot be overstated. The global supply of AI chips is constrained by TSMC's unique advanced packaging production capacity, giving the company considerable market power. We believe in TSMC's long-term prospects as global demand for computing power continues to grow.

E Ink is a Taiwan-based producer of e-paper technology used in e-readers, such as Amazon's Kindle, and electronic shelf label (ESL) systems utilized to display product pricing on retail shelves. Following a brief sales slowdown in 2023 attributed to client inventory management, growth is now gaining momentum. A major client, Walmart, has unveiled plans to revamp its stores, including a digitalization strategy set to drive significant demand for E Ink's ESL products. Additionally, the company has recently introduced a color product, expanding its portfolio offerings. The color product has been performing well in China, and Amazon recently announced plans to launch a color version of its popular Kindle e-reader, which would likely utilize E Ink's technology. We believe in the eventual widespread adoption of electronic paper, recognizing the substantial environmental benefits that arise from transitioning away from traditional paper consumption.

Vista Energy is an oil and gas exploration and production company in Argentina. Investor confidence in the broader local market has improved, driven by optimism surrounding Argentina's economic prospects under the new presidency. Established less than a decade ago, Vista Energy has risen to become one of Argentina's largest oil and gas producers. The country's abundance of natural resources presents an attractive opportunity, and we believe Vista Energy is well positioned to capitalize on it, potentially emerging as a key player in the oil and gas export market. Moreover, our recent interactions with

Vista Energy's management have reaffirmed its strong commitment to environmental sustainability. We are confident Vista Energy will play a pivotal role in Argentina's transition toward a more sustainable future.

Our main relative detractors in Q1 included Wuxi Biologics, AIA Group and MTN Group. Wuxi Biologics is a Chinese pharmaceutical company that conducts research, development and manufacturing of antibody and biological drugs for customers worldwide. The stock was significantly impacted at the beginning of the year when the US government proposed a biosecurity bill aimed at safeguarding US citizen's personal data. This bill threatens to restrict operations of certain Chinese biotech firms in the US, including Wuxi Biologics' parent company, Wuxi AppTec. The proposed bill raises concerns primarily regarding data security in gene sequencing, a process not central to Wuxi Biologics' operations. Moreover, proponents of the bill alleged connections between Wuxi Biologics' CEO and China's People's Liberation Army, which the company denied, stating there is no government involvement in its operation or ownership. Despite these headwinds, Wuxi Biologics has managed to secure new projects with global pharmaceutical firms, underscoring the industry's reliance on its services. In our view, the stock's price decline was overdone, and we see significant upside potential at the current valuation.

Hong Kong-based AIA is the largest independent publicly listed pan-Asian life insurance group. The company has considerable exposure to China, and we attribute the recent stock weakness to broad market outflows from the country. We remain constructive based on AIA's fundamentals. We believe its competitive advantages, such as a robust distribution capacity, remain intact, and the company will continue growing in mainland China, adding to its well-established businesses in Hong Kong and Southeast Asia.

MTN Group is a South Africa-based multinational telecommunications group operating in Africa and the Middle East. In Q1, the company encountered headwinds stemming from Nigeria's economic instability. The government's decision to lift currency controls resulted in a sharp depreciation of Nigeria's naira, a situation that is yet to stabilize. Despite this volatility, we maintain an optimistic outlook for MTN Group. Our confidence is bolstered by the company's resilient balance sheet and its expanding presence in other key markets within the region, notably South Africa and Ghana.

### Portfolio Activity

During Q1, we initiated positions in Commercial International Bank of Egypt (CIB) and Copa Holdings. CIB stands as the largest private bank in Egypt, offering a comprehensive range of financial services, including consumer banking, investment banking, insurance and financial planning. While members of our team were conducting research in the Middle East in February, a pivotal development unfolded. The United Arab Emirates announced a \$35 billion agreement to develop Egypt's Ras-Hekma Mediterranean region. This announcement facilitated Egypt's decision to float its currency and secure a new loan with the International Monetary Fund, significantly

improving Egypt's economic prospects. We believe capital inflows into the country will unlock liquidity in the financial system, revitalize Egypt's economy and drive financial activity.

Copa Holdings is a Panamanian airline that operates across the Americas, with a strategic focus on low-density routes under a hub and spoke model centered around Panama City. We view the company's specialization in underserved destinations as a distinctive competitive advantage that is challenging to emulate. Additionally, we are optimistic about the improving prospects of international travel in Latin America.

In Q1, we took advantage of China's distressed market to consolidate our positions in high-conviction names and rotate out of other stocks with less upside. We exited our positions in restaurant operator Xiabuxiabu Catering Management and laser manufacturer Wuhan Raycus Fiber Laser Technologies.

### Perspective

EM economies are traversing various stages in their economic cycles. On one hand, we maintain a constructive outlook on growth prospects in Latin America and Southeast Asia, bolstered by less restrictive monetary policies. Conversely, China, the largest EM economy, has decelerated and continues to exert a drag, presenting both domestic and global challenges.

Ground-level research serves as a cornerstone of our team's investment process, and conducting on-site visits in China to assess conditions during the current downturn remains a priority. One of the key themes closely monitored by our team, given its significance for the broader EM ecosystem, is the impact of the Chinese government's policies aimed at expanding manufacturing capacity. Drawing on years of experience investing in China, we acknowledge the competitiveness of Chinese producers. However, we harbor concerns regarding potential oversupply resulting from increased capacity and trade tensions with the West. We believe China's emphasis on expanding production and ramping up exports to stimulate economic growth while reducing focus on domestic consumption may lead to significant market imbalances. The team is closely monitoring these dynamics and adjusting target prices accordingly.

Sustainability remains integral to our investment philosophy. Our recently published 2023 sustainability report offers a comprehensive insight into what we perceive as a pragmatic approach to sustainable investing in EM. This year's report underscores the importance of engagement, and it highlights the crucial role of establishing open communication channels with on-the-ground stakeholders in order to comprehend the context in which EM companies operate. To bolster our efforts in this regard, we have upgraded our internal tools, facilitating more effective dialogue with management teams and enabling us to monitor companies' progress on their sustainability journeys.

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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 Mar 2024: Taiwan Semiconductor Manufacturing Co Ltd 11.6%; E Ink Holdings Inc 3.0%; Vista Energy SAB de CV 1.7%; Wuxi Biologics Cayman Inc 1.2%; AIA Group Ltd 1.1%; MTN Group Ltd 1.1%; Commercial International Bank - Egypt (CIB) 0.3%; Copa Holdings SA 0.8%. 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<sup>®</sup>) 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 Mar 2024. 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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