ARTISAN PARTNERS SUSTAINABLE
EMERGING MARKETS TEAM

Annual **Sustainable Investing** Report 2024

Image Source: Bank Rakyat © 2025

ARTISAN PARTNERS

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.

COMMITMENT TO **SUSTAINABILITY**

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March 2025

As we reflect on 2024, volatility remained a constant, driven by geopolitical tensions, supply chain disruptions and shifting economic policies. These challenges reinforced our belief in sustainability as the foundation for adaptability and resilience in emerging markets (EM) investing.

Maria Negrete-Gruson, CFA
Portfolio Manager

33 Years Investment Experience

To us, sustainability means a company's ability to deeply understand the economic, social and environmental context in which it operates, proactively adapting to challenges and identifying opportunities. Truly sustainable companies do not only react to external pressures, but they thrive over the long term by innovating and strengthening their competitive advantages.

We believe companies that fail to integrate sustainability into their strategies increase their exposure to material operational threats and miss out on the opportunities these challenges create. A company that neglects its local communities will struggle with labor and regulatory challenges. A company that ignores resource efficiency risks losing long-term access to critical inputs. In contrast, businesses that embrace sustainability can create enduring value, financially and for society, by capitalizing on opportunities that emerge from challenging market dynamics.

One of the most rewarding aspects of our work is witnessing how EM companies often leapfrog their developed-market counterparts in sustainability-driven innovation—not because it is fashionable, but because it is essential for their survival. Take, for example, materials and extractives companies. Many sustainability-focused investors have excluded these industries outright due to their carbon intensity. However, we see these industries as pivotal to the clean energy transition. Companies in these industries have the potential to drive significant change by adopting new technologies that make their operations cleaner and more efficient. By focusing on improvement rather than exclusion, we position ourselves to invest in companies that can create meaningful impact as they transform into sustainability leaders.

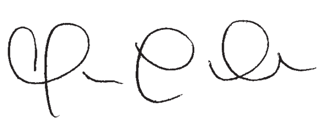
At the same time, our realistic approach to sustainability in EM makes us acutely aware of the serious challenges threatening companies and their stakeholders. We have also seen firsthand how adversity can drive creative solutions, fueling a continuous cycle of innovation and value creation. This resilience makes us optimistic—not just about the companies we invest in but about sustainability's broader role as a long-term transformation driver in EM.

Within our team, engagement is at the heart of how we assess and advance sustainability. Rather than relying on static environmental, social and governance (ESG) ratings or negative screens, we travel the world to engage with management teams and seek firsthand insights into how companies address sustainability. In 2024, our team visited more than 20 countries and met with nearly 500 companies.

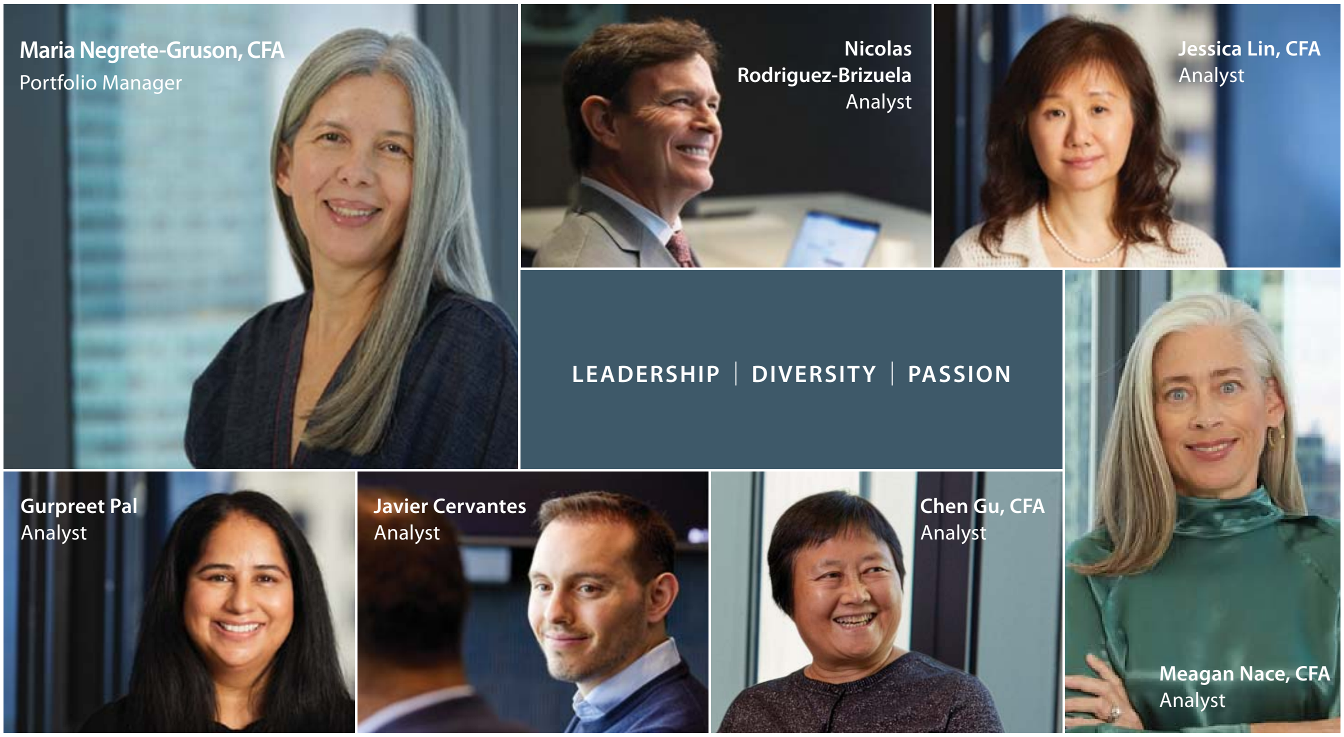
Our approach is dynamic, integrating real-time incident data and forward-looking analysis with extensive on-the-ground research. This approach not only serves as a risk management tool but also helps us identify value-creation opportunities by better distinguishing companies that are making tangible progress from those that lag behind.

We remain committed to identifying companies leading the way in sustainable innovation. EM continues to offer compelling investment opportunities across regions and sectors, driven by evolving trends, such as electrification, artificial intelligence and resource efficiency—areas where sustainability and growth are deeply intertwined. Through disciplined analysis and active engagement, we seek businesses that are well positioned to create long-term value in these evolving markets.

As we enter 2025, we remain committed to our belief that sustainable innovation is essential for long-term success in EM. We believe companies that embrace this view by enacting change, improving practices and building resilience will lead the way. We appreciate your trust and look forward to continuing this important work together.



Maria Negrete-Gruson



OUR TEAM

Each member of the Artisan Partners Sustainable Emerging Markets Team truly understands EM countries after growing up, studying, working and/or spending a significant amount of time in EM. Collectively, we have witnessed EM's evolution first-hand—better living standards, accelerating technological development, greater environmental awareness and improving corporate governance. Our personal connections to EM also drive our passion for investing in companies making positive progress and working to improve conditions in EM as good corporate citizens and good business operators.

The team's core has been investing together in EM since 1999—Maria and analysts Meagan Nace and Chen Gu formed an investment team in the aftermath of the late-1990s Asian financial crisis. The decisions that triggered the crisis and the subsequent financial market and government responses also shaped our philosophy and process. We identify companies with sustainable competitive advantages and unique access to growth through a combination of financial and strategic analysis, on-the-ground research, ESG considerations, country risk analysis and our local understanding of EM.

Over time, the team has grown. Analyst Gurpreet Pal joined Artisan Partners in 2011; Nicolas Rodriguez-Brizuela and Jessica Lin joined the firm in 2014; and Javier Cervantes joined the team in 2023.

The keys to successful active management in EM are insight and good judgment. Our backgrounds and experience foster a valuable combination of cultural and cognitive diversity that constantly enhances our analysis. And we believe our differentiated approach to researching companies and views on sustainable investing are important advantages.

NAVIGATING CHANGE

We've invested through multiple business cycles and witnessed many major economic and political events. Our experience gives us the confidence to remain focused during adverse periods. At the same time, we've expanded our investment team, enhanced our sustainability assessment and taken lessons from market turbulence to refine our country risk analysis.

Team and Process Development

TEAM

1999
Maria and analysts Meagan Nace and Chen Gu form EM investment team

2006
Investment team joins Artisan Partners

2011
Gurpreet Pal joins team

2014
Nicolas Rodriguez-Brizuela and Jessica Lin join team

2023
Javier Cervantes joins team

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PROCESS

1999
Create country risk assessment

2005
Expand country risk assessment

2014
Formalize sustainability assessment (third-party ESG scores and analyst driven governance scores) and customize country risk assessment's economic indicators for each country

2018
Add economic indicators to country risk assessment

2019
Switch from third-party ESG scores to incident trend analysis based on RepRisk sourced data

2020
Adopt Sustainable Industry Classification System (SICS) and enhance ESG assessment with SICS industry-based factors

2023
Comprehensive review of sustainability assessment indicators, along with a newly integrated note-taking system, resulting in improved precision, scope, and facilitating active engagement

2024
Review and mapping of sustainability assessment indicators to the corresponding UN Sustainable Development Goals (SDGs)

ESG

1999
MSCI begins rating companies based on industry material ESG risks

2000
United National Global Compact launched

2006
United Nations launches Principles for Responsible Investment (PRI)

2011
The Sustainability Accounting Standards Board (SASB) is launched

2013
India introduces statutory corporate social responsibility

2015
Sustainable development goals created & Paris Agreement—international treaty on climate change

2024
International Financial Reporting Standards (IFRS) global ESG reporting standards implemented

The information we gather from our travels and engagements further informs the empirical component of our sustainability assessments.

AN EMERGING MARKETS VIEW OF SUSTAINABILITY

OUR CORE BELIEFS:

- EM will provide growth in excess of developed markets over the long term
- Boom-bust cycles are an inherent aspect of EM investing

WE SEEK COMPANIES POSSESSING:

- Unique access to sustainable growth
- Sustainable competitive advantages

OUR DIFFERENTIATED APPROACH TO SUSTAINABILITY:

- Take a realistic and optimistic approach to EM investing
- Acknowledge the realities of EM and reward improvement in corporate practices
- Reject negative screens and developed market biases
- Go beyond simplified environmental, social and governance scores by proactively engaging and assessing a company's ability and commitment to positively impact shareholders, employees, customers and communities

SUSTAINABILITY—DIFFERENTIATED AND INTEGRATED

The team utilizes a sustainability assessment that emphasizes momentum—the direction and degree of a company's past ESG-related actions, its current activities and policies, as well as goals and resources in place for further ESG progress.

Our assessment provides a comprehensive ESG score which can have a direct impact on a company's target price, as determined by an analyst.

The sustainability assessment has two components: empirical and incident.

Empirical: Comprising our long-term coverage of companies, industries and countries. Interviews, site visits, company filings and independent ESG sources inform our opinion of a company's ESG efforts. The assessment is forward-looking and experiential.

Incident-Based: A multi-year trend analysis utilizing data from RepRisk, a leader in ESG data science and research. The incident data is compiled from various media sources and non-governmental organizations. It includes frequency and severity of ESG transgressions based on the 17 SDGs. Trend analysis allows us to generate more precise measures of individual company risks. Additionally, we can assess positive change over time as a company shifts its policies to better align with stakeholders' interests.

The combination of incident-based and empirical analysis is more dynamic and rigorous than third-party reports relying on company-provided information or policies.

For each ESG factor, the empirical and incident-based scores are combined to provide a factor score. The three factor scores are then integrated into an overall ESG score, which can directly impact the analyst's valuation for each company. The target price is increased for a company with a high overall ESG score (4 or 5). The target price remains unchanged for a company with an average overall score (3). The target price is reduced if a company has a weak overall ESG score (1 or 2). Target price adjustments are not symmetric; premiums applied to exemplary companies are not as significant as discounts applied to companies with poor sustainability risk profiles.

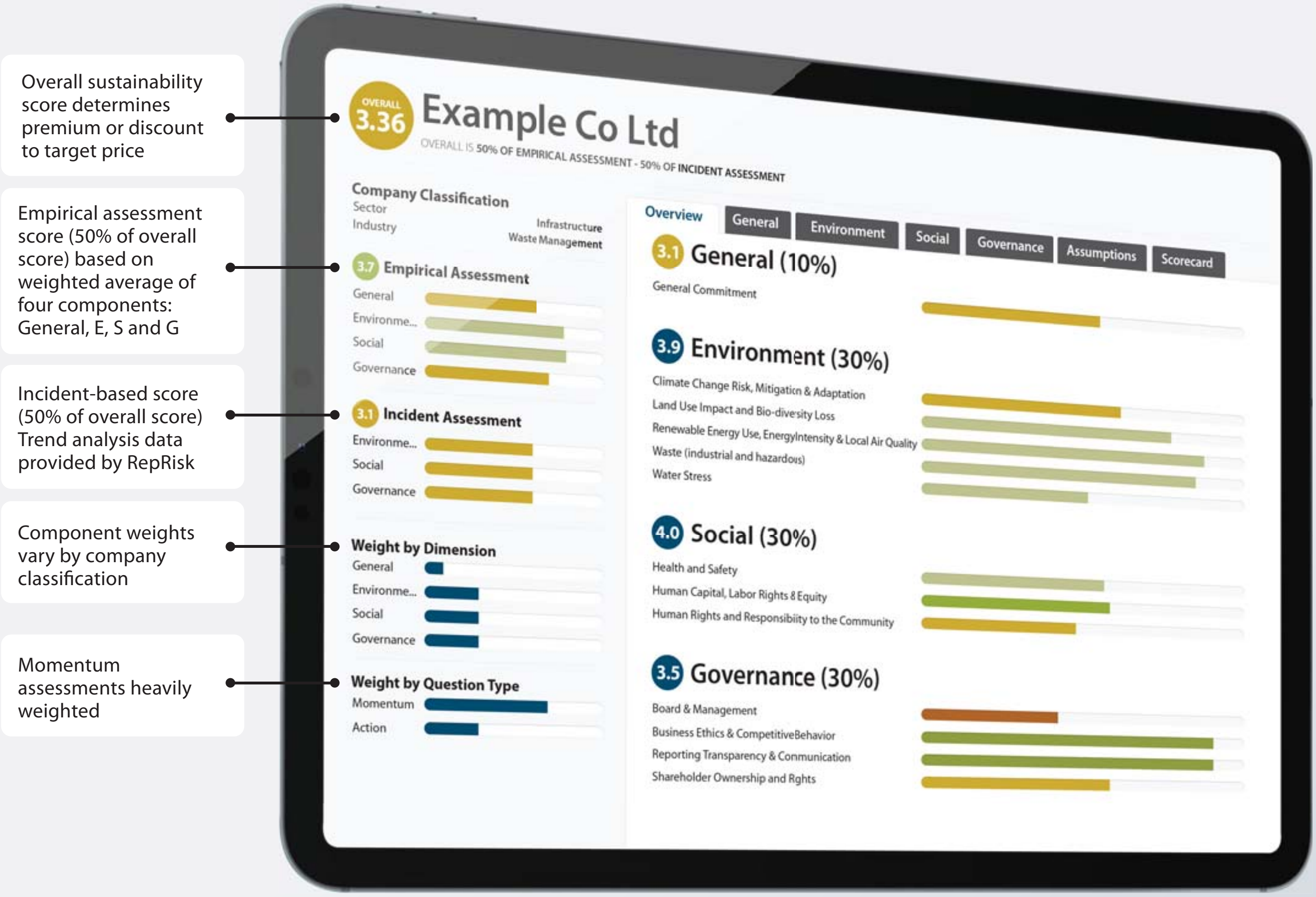
Overall Assessment Score:	1	2	3	4	5
Target Price Adjustment:	-40%	-20%	—	+10%	+20%
	REDUCE		NEUTRAL	INCREASE	

For illustrative purposes only. The information contained herein represents a simplified presentation of a complex process. The investment process is subject to change.

The process allows an analyst to reflect the ESG-related risk in each company in a pragmatic and dynamic manner. A focus on momentum also offers the potential advantage of finding a suitable investment opportunity earlier in a company's transformation.

The team conducts this price-adjustment analysis in lieu of using negative ESG screens. The team believes excluding a company simply because it operates in an industry considered to be ESG unfriendly or it appears unattractive based on a static snapshot of ESG metrics can lead to biases and blind spots. Instead, the team cares about how a company's management acknowledges and addresses the ESG risks it faces and how a company improves these exposures over time.

Sustainability assessments are performed for many, but not all companies considered by the team, and may be revised from time to time.



EVOLUTION AND ENHANCEMENT

While we have maintained our core beliefs, philosophy and process, we embrace the reality that success over time requires evolution and improvement. The sustainability assessment was part of the investment process at inception, but it has undergone meaningful changes over time. As the quantity and quality of ESG information has improved for EM, so has the team's ability to assess information and use it to make target price adjustments.

More recent sustainability assessment changes include:

- In 2014, the team formalized a sustainability scoring process, comprising qualitative and quantitative components. The qualitative component included eight governance items scored by analysts. The quantitative component used monthly ESG reports and scores from a third-party provider.
- In 2019, the team transitioned from third-party ESG reports and scores to trend analysis based on RepRisk's incident-based data—frequency and severity of ESG transgressions based on SDGs.
- In 2020, the team made its empirical component more comprehensive and uniform. The forward-looking empirical component relies on analyst interviews and site visits, company filings, and other independent ESG sources.

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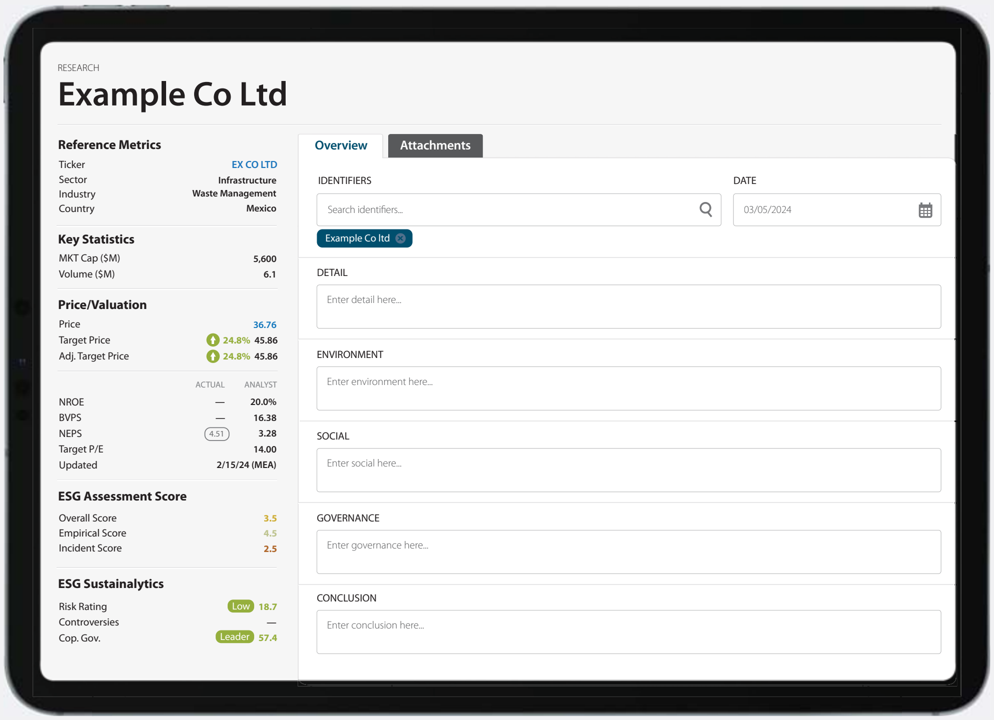
- In 2020, the team adopted SICS sectors and industries. Company classifications based on sustainability-related risks and opportunities are more in line with the team's view of the investment universe and company analysis.

- In 2023, the team conducted a thorough review of the empirical assessment component. This process involved analyzing internal and client feedback, as well as conducting a detailed evaluation of methodologies used by ESG ratings providers and industry peers. The resulting updates enhanced the precision and scope of the assessment's indicators while reinforcing our unique emphasis on trend analysis, engagement and EM contextualization. Additionally, the team designed a new note-taking interface that seamlessly integrated with the sustainability assessment. This interface enables analysts to easily access empirical and incident-based information during meetings, fostering real-time engagement on sustainability topics.

- In 2024, we reviewed and mapped our sustainability assessment indicators to the corresponding SDGs to ensure alignment. Additionally, the team conducted a comprehensive review of emerging regulations and reporting standards, including the EU Taxonomy for Sustainable Activities, the Sustainable Finance Disclosure Regulation (SFDR), and the IFRS Global ESG Reporting Standards, integrating relevant updates into our assessment process.

Updates have also been made to the team's country risk analysis. EM countries are in different stages of economic, social and political development, which have important implications for each company's fundamentals. Since 2014, the team has expanded the range of possible macroeconomic factors, enhanced the process to determine each country's most significant factors, implemented monthly updates and increased the maximum number of factors per country. As a result, the team's risk model is more dynamic and relevant to each country.

Our note-taking interface seamlessly integrates with our ESG assessment to foster engagement.



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QUESTIONS AND ANSWERS

Sustainable investing comes in many forms, and we have fielded questions about our unique view of sustainability, all of which we address here.

We take an optimistic and realistic approach to sustainability in EM. We have seen first-hand how the people of EM are frequently most negatively impacted by ESG failures. As a result, EM companies are often intrinsically motivated to solve sustainability challenges. We have watched many EM companies overcome these obstacles through innovation, and we are optimistic that countless others will do the same. That opportunity for improvement—and subsequent investment upside—is one of the main reasons we are passionate about EM investing.

That said, our personal experience in EM also encourages us to take a realistic approach to sustainable investing in EM. We do not believe in evaluating EM companies based on developed markets standards. Instead, we employ a rigorous, bottom-up investment style aimed at identifying companies capable of creating long-term shareholder value while also making positive change that goes beyond ESG.

WHY DON'T YOU USE EXCLUSIONS?

Many investment managers exclude or screen out potential investments simply based on the nature of their industry or their country of domicile, whereas we believe in the merit of evaluating every single company from the bottom up. We take care not to exclude individual companies that are demonstrating marked improvement in terms of sustainability simply due to the reputation of their industry or the failures of their country's government. In our experience, unexpected leaders in ESG can emerge from any area of EM.

We also focus on identifying companies that are trending in the right direction in terms of ESG—showing evidence of improvement and positive momentum—rather than excluding companies based on where they are today or mistakes they have made in the past. We acknowledge that most EM companies have an imperfect track record in terms of ESG, but our process, which includes both incident-based data and forward-looking analysis, allows us to partner with EM companies to effect positive change in terms of sustainability. We refer to this as integration rather than exclusion.

We also oppose exclusions based on their unintended consequences. If investors were to shun certain EM companies based on their industry, country or history of ESG infractions, these companies might eventually lack the public funding they need to survive. As a result, they might become private companies or state-owned entities. At that point, the public would no longer have access to company data nor the opportunity to engage with company management, which would make unsustainable behavior easier for those companies to execute—the exact opposite of what those exclusions intended to accomplish and another reason we use bottom-up analysis rather than negative screens to help us identify companies that are often imperfect but improving in terms of sustainability.

WHY DON'T YOU PLACE MORE EMPHASIS ON TARGETS?

In our view, many targets center on metrics that are not realistically quantifiable for many EM companies. And even when the metrics are quantifiable, the related targets can be unrealistic for EM companies to achieve with existing technologies. Unlike well-established companies in developed markets, many EM companies do not have the resources to accurately measure their emissions, for example. As a result, they are expected to hire a third-party consultant to measure their emissions, which can be cost prohibitive for smaller EM companies. In that situation, we would rather see the EM company set a reasonably attainable target, articulate a plan for achieving that target and then make measurable progress toward its goal.

HOW CAN YOU CALL YOURSELVES ESG INVESTORS WHEN YOU DON'T BEHAVE LIKE ACTIVISTS?

Simply stated, we believe activism typically does not work in EM. Many EM countries view activism as confrontational, so it commonly backfires. Instead, we have found engagement to be much more effective. Our engagement approach includes meeting with company management to influence positive change. When it comes to sustainability, we share our experience, explain our process and highlight best practices with management to encourage their progress.

Additionally, we understand that EM companies can commit ESG infractions without intent to harm or defraud. Sometimes they do not even realize their actions are considered infractions. In those cases, we have found engagement, not activism, to be most effective. Through open dialogue, we can help company management better understand the issue and how it is viewed by investors, and we can help the company move forward in a more sustainable fashion.

WHY DON'T YOU AIM TO HAVE A PORTFOLIO WITH A CERTAIN ESG SCORE?

Our aim is not to create an idyllic portfolio full of ESG leaders. Rather, we believe the true upside in EM—for both investors and society—lays within companies that have the potential for progress in terms of both profits and sustainability. Those companies tend to have lower sustainability scores—and subsequently lower valuations—than their ESG-leading counterparts. Rather than investing in ESG-leading companies whose share prices already reflect their ESG leadership, we tend to invest in companies that have demonstrable improvement in terms of sustainability and earnings. We invest in those companies and then engage with company management to encourage and monitor their progress. Ideally, that progress is then realized through both improved outcomes for society and attractive returns for investors.

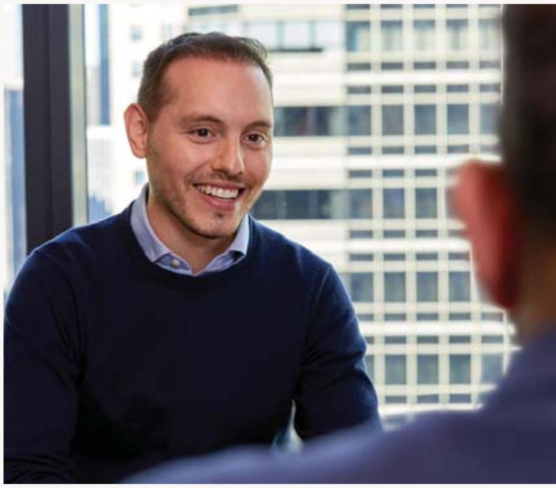
ESG is a critical part of our investment due diligence, but it is just one of several ways in which we evaluate investment opportunities from the bottom up. We aim to invest in companies that are demonstrating progress in terms of sustainability, regardless of their industry or country and in spite of past missteps. We then engage with company management to educate them on our investment process, to share best practices and to motivate them to achieve both progress and profits. Our forward-looking methodology is meant to help achieve positive results for both our investors and the people of EM.

WHAT ARE THE CHALLENGES OF TRYING TO SIMPLIFY ESG INTO A SINGLE SCORE?

Understanding a company's true commitment to sustainability requires granularity and direct engagement. While it may be tempting to accept third-party providers' ESG scores at face value, numbers without context can be misleading.

ESG encompasses an array of environmental, social and governance factors, with each holding varying relevance depending on a company's industry and geographic location. Determining the relative importance of different ESG factors is inherently subjective. Additionally, ESG data lack standardization, particularly in the diverse EM landscape, making comparisons between companies difficult. Single scores can also mask important trade-offs within a company's ESG performance. For example, a company with high emissions might also be investing heavily in renewable energy, but a single score wouldn't capture this nuance.

Companies, at times, might attempt to game the system by focusing on improving factors that most affect their score while neglecting other important ESG aspects. The responsibility lies with investors to engage in direct communication with companies. Doing so enables a deeper understanding of a company's goals, actions and progress that can facilitate collaboration on improvements.



WHY IS THERE NO ESG OFFICER ON YOUR TEAM?

We have made a deliberate strategic choice rooted in our belief that analysts should be directly engaged in the ESG assessment process. We trust in our analysts' capacity to develop deep expertise in specific ESG factors relevant to their geographic or sector coverage. Analysts assessing companies they already cover facilitate more effective ESG risk evaluations. We believe the separation of ESG analysis from the investment team can be counterproductive by creating blind spots and limiting a holistic assessment of a company's risk exposure.

We emphasize the value of experience as the best form of ESG training, particularly in EM where conditions are more opaque and volatile. Understanding the unique environmental and social factors in these markets requires a specific perspective and adaptability to constant change. The team's analysts actively participate in conferences, panel discussions and other events, which contribute to the ongoing development of their ESG expertise.

Auditing the team's sustainability process enhances its reliability. Each year, our team welcomes graduate students who have demonstrated a passion for sustainability to join our internship program. These young professionals bring a fresh academic perspective to our team, ensuring that our methodology stays current and relevant.

WHY DON'T YOU MEASURE THE PORTFOLIO'S CARBON EMISSIONS?

We recognize that carbon emissions metrics are helpful for assessing environmental impact. However, we believe comparing our portfolio's emissions to a benchmark is an overly simplistic way to evaluate sustainability. Such a comparison emphasizes emissions reductions as a company's primary objective, often encouraging commitments to unrealistic targets without clear pathways. It also disregards the broader strategic and operational realities shaping effective environmental strategies.

We believe some of the highest-emitting industries are also essential to the transition toward a cleaner future. Avoiding these sectors based solely on carbon footprint would limit our ability to support companies driving meaningful change. Instead, we focus on identifying and engaging with businesses actively improving their environmental impact. True impact comes from supporting companies that are on the path to becoming cleaner rather than screening them out.

While we can provide a carbon emissions analysis upon request, we do not believe a portfolio-level carbon footprint is a particularly meaningful measure of sustainability.

> We have seen first-hand how the people of EM are frequently most negatively impacted by ESG failures. As a result, EM companies are often intrinsically motivated to solve sustainability challenges.

Our sustainability analysis incorporates **SDGs** in both the empirical and incident assessments.

For more information on Sustainable Development Goals, visit
https://www.un.org/sustainabledevelopment

Sustainable Development Goals

Given our local perspectives and investment experiences, we appreciate the potential impact of SDGs. Many EM companies are understandably on board; an MSCI survey shows more EM companies state they are "strongly aligned" or "aligned" with SDGs than North American counterparts. The 17 goals are particularly relevant to some of the largest sustainability challenges EM populations are tackling: poverty, inequality, lack of economic opportunity, access to resources and unhealthy environmental conditions.

Our sustainability analysis incorporates SDGs in both the empirical and incident-based assessments.

- Consideration of SDGs are inherent in the empirical assessment. Our analyst-driven empirical assessment goes beyond standard ESG performance metrics and company claims. Empirical assessments focus on action and momentum; analysts can capture one-off actions and anecdotal information from all stakeholders as it relates to a company's sustainability efforts and underlying SDGs. For easier reference, we have mapped each indicator in our sustainability assessment to its corresponding SDG.
- Within our incident-based assessment, RepRisk uses SDGs as part of its rules-based methodology to help determine and classify risk incidents.

Ultimately, we invest in EM because we want to direct capital to companies that can have a long-term positive and sustainable impact on EM populations.

The differences between SICS and the widely used MSCI GICS system are discernible and valuable.

SICS: ALIGNING ANALYSIS WITH ESG REALITIES

In order to complete a rigorous sustainability assessment, we need to understand the most relevant ESG considerations for a company and the industry in which it operates.

To help us better view the investment universe through a sustainability lens, the team adopted an industry classification system created by the SASB. Classification systems typically group companies by line of business, economic activity or revenue source. But SASB's classification system groups by similar business models, resource intensity and sustainability impacts. And nearly all of the industry-specific topics included in SASB's sustainability accounting standards can be linked to SDGs.

GICS Sectors	**SICS** Sectors
Communication Services	Consumer Goods
Consumer Discretionary	Extractives & Minerals Processing
Consumer Staples	Financials
Energy	Food & Beverage
Financials	Health Care
Health Care	Infrastructure
Industrials	Renewable Resources & Alternative Energy
Information Technology	Resource Transformation
Materials	Services
Real Estate	Technology & Communications
Utilities	Transportation

The differences between SICS and the widely used MSCI Global Industry Classification Standard (GICS) system are discernible and valuable. Both systems have 11 sectors divided into industries—74 within GICS and 77 in SICS. Considerable overlap occurs in areas such as financials and health care. However, bigger differences emerge in areas where sustainability issues can diverge across and within business line definitions, such as extractives, materials, industrials, utilities and technology.

EXAMPLE: Commercial services and supplies is a GICS-defined industry within the industrials sector. In terms of ESG, commercial services companies can be rather varied, which has implications for the most relevant environmental and social factors.

GPS and Frontken Corp Bhs are considered similar enough by MSCI to be grouped into the same GICS industry. But viewed through an ESG lens, we believe the SICS classification captures some important distinctions. Besides the more obvious differences in what these companies provide, clear differences exist in the potential environmental and social impacts of each company's operations. For GPS, environmental and social areas of focus include product sustainability and data privacy, while Frontken's areas of focus include land use impact, climate change risk, and health and safety. We also consider human capital, labor rights and equity to be important for both companies.

GICS Industry	Companies in Same **GICS Industry**	Are in Different **SICS Industries**
Commercial Services & Supplies	**GPS Participacoes**—Brazil's largest outsourcing provider	Professional & Commercial Services
	Frontken Corp Bhs—a Malaysian advanced precision cleaning and maintenance service provider for the semiconductors and oil and gas industries	Engineering & Construction Services
Broadline Retail	**MercadoLibre**—the leading e-commerce platform in Latin America	E-Commerce
	Prosus—one of the largest technology investors in the world with a portfolio of best-in-class EM e-commerce, food delivery and payments companies	Internet Media & Services
Consumer Finance	**Gentera**—a Mexican financial institution providing credit to middle- and low-income entrepreneurs	Commercial Banks
	Kaspi—a leading Kazakhstani fintech	Software & IT Services

Given SICS' emphasis on grouping companies by their sustainability-related risks and opportunities, we believe it is an elegant tool to help make our sustainability analysis process more effective. We have reviewed the 77 SICS industries and determined environmental and social factors that are particularly relevant to each industry (the same governance factors are used in every analysis). Aligning environmental and social factors at the SICS industry level enables us to tailor the analysis in a systematic way.

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CASE STUDY: Bank Rakyat Indonesia

Empowering Communities Through Financial Inclusion

In Indonesia, where nearly half of the adult population lacks access to formal financial services, Bank Rakyat Indonesia (BRI) is reshaping economic opportunities through its commitment to financial inclusion. By combining microfinance with digital innovation, BRI expands access to credit, empowering the country's small businesses and women entrepreneurs.

Microfinance for Women: Driving Economic Empowerment

Micro, small and medium enterprises (MSMEs) generate 61% of Indonesia's GDP, yet many remain locked out of the financial system due to a lack of collateral, formal records or banking history. BRI's Kredit Usaha Rakyat program addresses this gap by offering collateral-free microloans that enable entrepreneurs to expand their businesses. The bank's group-based lending models allow borrowers without collateral to access credit through community support and accountability.

In 2023, BRI disbursed nearly 37 million microloans, making it Indonesia's largest microfinance provider. Many of these loans went to women entrepreneurs, who are critical in driving local economies but often face structural barriers to accessing credit. Recognizing this, BRI has designed microcredit programs for women-led businesses. These initiatives help break financial barriers, allowing women to build sustainable livelihoods, increase household incomes and contribute to broader economic development. By lowering financial barriers, BRI enables grassroots economic growth, proving that financial inclusion is a key driver of social and economic stability.

During our visit to Indonesia in 2024, we engaged with BRI's management team and saw firsthand the impact of its microfinance programs. We spoke with a small shop owner, a restaurateur and a street food vendor who, through microloans from BRI, could support and expand their businesses. Financing from BRI was key to turning these low-income women into entrepreneurs, improving their financial security and creating jobs in their communities.

Expanding Financial Access: The BRILink Model

Indonesia's geography presents a major challenge to financial access, with over 17,000 islands and significant rural populations. BRI has developed a hybrid banking model to overcome this, blending physical agent networks with digital banking infrastructure to extend essential financial services to even the most remote communities.

BRILink significantly expands financial inclusion across Indonesia. More than 740,000 BRILink agents serve as community-based banking hubs, covering both urban and rural areas. Digital platforms such as BRImo (mobile banking) and BRISPOT (digital credit processing) provide millions of unbanked Indonesians with secure financial access.

Instead of requiring long-distance travel to bank branches, BRILink agents travel to communities, allowing individuals to deposit and withdraw cash, apply for loans and make digital payments, reducing reliance on cash transactions.

This localized banking model reflects our team's belief that sustainable EM companies embrace innovation out of necessity, turning contextual challenges into opportunities for creative, resilient solutions. By combining digital technology with community participation, BRI created a sustainable and expanding way to give more Indonesians access to banking services, strengthening the country's economy and financial ecosystem.

The Future of Inclusive Finance

BRI's success in a rapidly evolving financial landscape underscores how innovation and accessibility can transform economies. By integrating technology with community-driven banking solutions, BRI has demonstrated that financial inclusion is not a challenge to overcome but an opportunity to build long-term resilience and sustainable development.

Sustainability example is for illustrative purposes only and is subject to change without notice. The Sustainability Assessment score ranks each company on a scale of 1 (lowest) to 5 (highest) based on the investment team's proprietary assessment of the company's quality of corporate governance practices. Each score corresponds with a multiplier that applies a discounted (for scores less than 3), premium (for scores higher than 3) or neutral (score of 3) adjustment to the investment team's target price within the team's valuation analysis for each company.

CASE STUDY: Cosmax

Cosmax—Pioneering Sustainable Beauty

Cosmax has become a leading original development manufacturer (ODM) in the beauty industry in part by turning sustainability into a competitive advantage. Cosmax views sustainability as more than reducing its environmental footprint. It believes sustainability can ensure long-term value creation by helping to strengthen brand trust, enhance operational efficiency and reinforce market positioning.

Advancing Clean, Safe and Ethical Beauty

Cosmax upholds rigorous ingredient standards and has established a program to eliminate harmful substances and prioritize eco-friendly alternatives. The program helps ensure compliance with regulatory standards and enables Cosmax to identify and phase out high-risk materials. For example, Cosmax has removed microplastics from rinse-off formulations and ensures responsible sourcing of ingredients, such as certified palm oil, to mitigate environmental and ethical risks.

Building a Sustainable Beauty Supply Chain

Cosmax has implemented initiatives to reduce plastic waste and improve recyclability. Its ECO Grade packaging standard incorporates post-consumer recycled (PCR) materials, bio-based resins and metal-free pumps. Collaborations with SK Chemicals and LG Chem have accelerated the development of sustainable cosmetic containers, while cartons certified by the Forest Stewardship Council and soy-based inks further improve recyclability. The company is also exploring innovative packaging materials, such as biodegradable polymers and refillable containers, to extend product life cycles and reduce environmental impact.

These initiatives align with the sustainability goals of global beauty brands, reinforcing Cosmax's efforts to meet clients' sustainability needs in an evolving industry landscape. By integrating resource-efficient manufacturing processes, the company minimizes waste while maintaining the high product quality expected by its global beauty brand partners.

Our Engagement with Cosmax

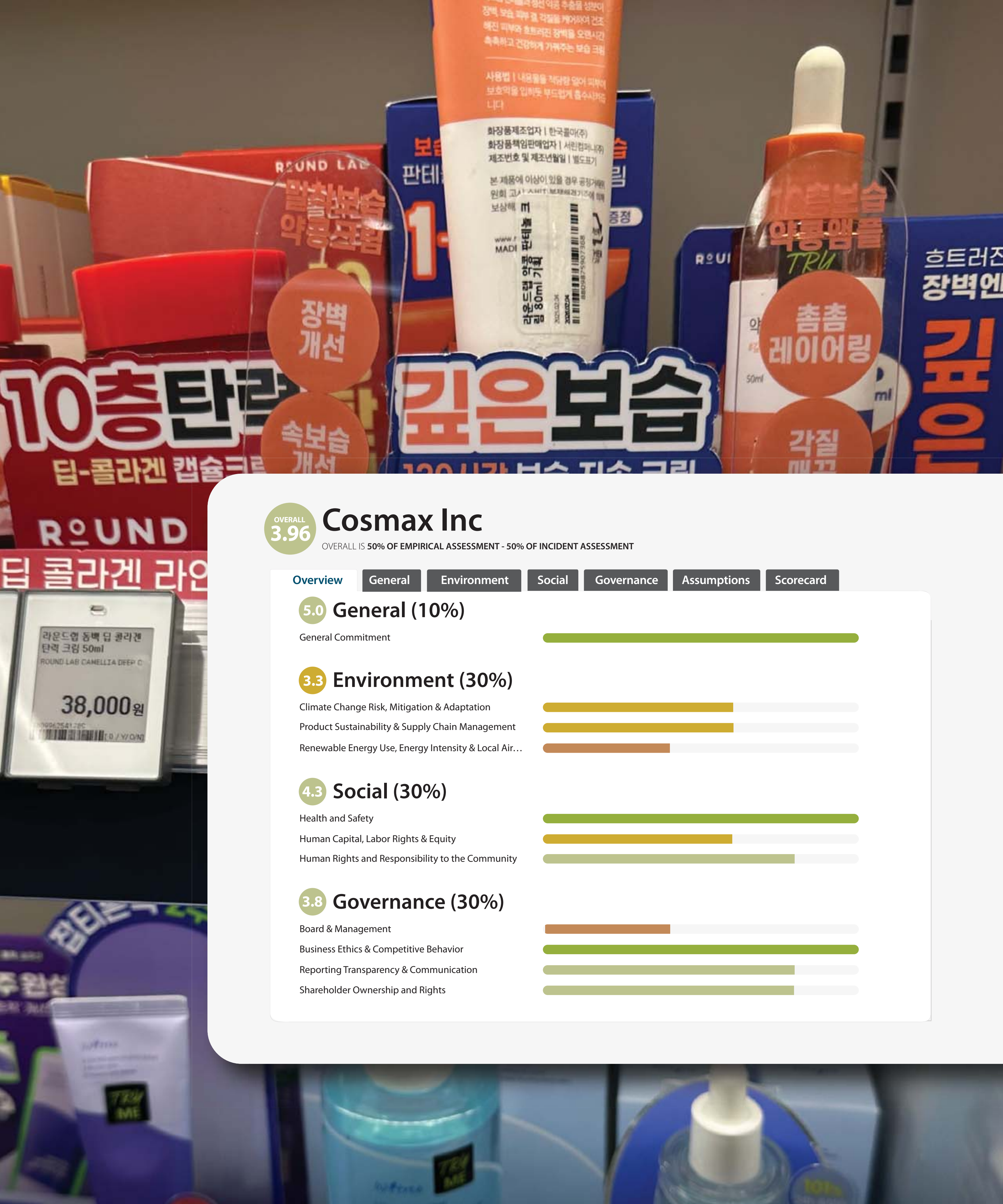
Over the past year, we have engaged directly with Cosmax's investor relations team and its sustainability management division. This included visits to one of Cosmax's plants and its R&D center, which provided valuable insights into the company's sustainability goals and practices. During these engagements, we observed Cosmax's efforts to increase automation in its factories and noted the high percentage of female employees in assembly areas. We also saw Cosmax's dedicated vegan manufacturing lines, underscoring its commitment to eco-friendly product development. Sustainability practices are integrated across all aspects of Cosmax's operations, from product development to formulation to packaging.

In addition to discussions on product development, raw material sourcing and packaging, we have also engaged with Cosmax on its supplier management and labor practices. Given the rising demand for transparent and ethically produced cosmetics, we believe Cosmax must advance its sustainability practices to maintain its position as a strong partner to beauty brands globally.

Sustainability as a Competitive Advantage

Cosmax illustrates how EM companies can lead sustainability-driven innovation. A proactive approach has strengthened its competitive position by demonstrating how sustainable beauty manufacturing can improve both environmental impact and long-term profitability. With rising demand for transparent and ethically produced cosmetics, we believe Cosmax is well-positioned to support the beauty industry's shift toward a more responsible and resilient future.

The security examples listed are not representative of the entire portfolio and are subject to change without notice. Security examples are based on holdings within a representative account managed in the Artisan Sustainable Emerging Markets Composite and individual client accounts may vary.



Sustainability example is for illustrative purposes only and is subject to change without notice. The Sustainability Assessment score ranks each company on a scale of 1 (lowest) to 5 (highest) based on the investment team's proprietary assessment of the company's quality of corporate governance practices. Each score corresponds with a multiplier that applies a discounted (for scores less than 3), premium (for scores higher than 3) or neutral (score of 3) adjustment to the investment team's target price within the team's valuation analysis for each company.

ENGAGEMENT

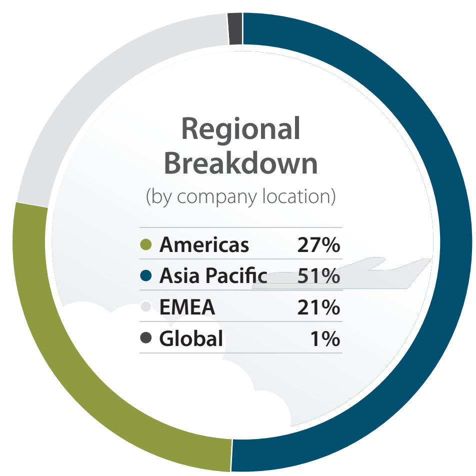
A natural part of our interactions with companies is engagement. In 2024, we conducted over 850 meetings with nearly 500 companies. Artisan Partners has a dedicated corporate access group that facilitates a portion of our meetings with company management without broker intervention. This fosters more independent communication, reducing reliance on the sell side and ensuring our discussions are driven by our own research priorities. In addition to discussing ideas about the companies' prospects and strategies, we regularly ask management about relevant sustainability topics.

We want to know if their responses align with RepRisk trend analysis data and see first-hand how they react to our inquiries. We can gain a better understanding of an executive's depth of knowledge and prioritization of ESG matters when discussing directly than when reading an ethics statement or annual report. Under normal circumstances, our on-the-ground research also enables us to visit company facilities and other stakeholders.

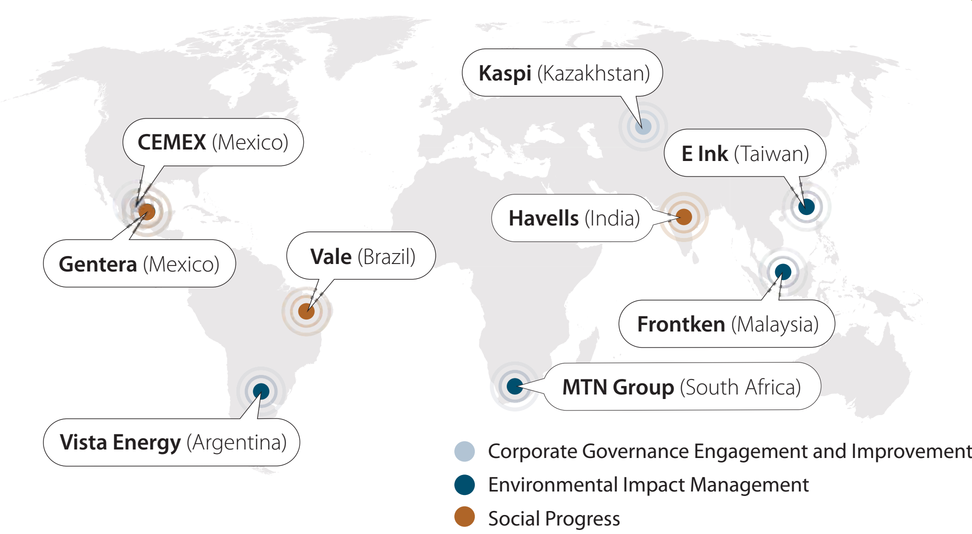
The information we gather from our travels and engagements further informs the empirical component of our sustainability assessments. When necessary, we will also communicate with a company's board of directors or advisory board. In some circumstances, we will actively participate in a shareholder meeting or otherwise publicly communicate our views about a particular company's business strategy.

Total company meetings in 2023: **863**

Number of companies: **498**



In 2024, we engaged with company management teams on a range of topics. Below is a representative sampling of the types of engagement and topics discussed.



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ENGAGEMENT EXAMPLES

Engaging with the management teams is fundamental to our investment stewardship processes. We firmly believe in our responsibility as investors to promote progress in sustainability practices for the benefit of all stakeholders, especially the people in EM. The following are a few examples of our 2024 engagement to offer insight into our dynamic and collaborative approach.

Environmental: Carbon Emissions

MTN Group—South African Telecommunications Leader

Telecommunications companies are essential for modern economies and can play a crucial role in addressing climate change. The industry—which supports the digital future—faces a challenge in reducing its carbon footprint, particularly in EM, where telecommunications are commonly run on old infrastructure. Our engagement with MTN Group, a leading telecommunications provider in Africa, confirmed the company's awareness of its environmental responsibilities.

MTN Group's carbon emissions are primarily indirect—generated not by the company itself but by its suppliers and customers. For example, the energy required to power the network of telecom towers it uses accounts for a significant portion of these emissions. While MTN does not own the towers, the electricity consumed in their operation contributes substantially to the company's overall carbon footprint, classified as Scope 2 emissions. Recognizing its environmental obligations, MTN has committed to reducing Scope 1, 2 and 3 emissions, with its targets certified by the Science Based Targets initiative (SBTi).

As part of our ongoing engagement with MTN's leadership, we recently discussed the company's strategy for managing indirect emissions. Management highlighted that diesel fuel powers most telecom towers in Africa, making the transition to cleaner energy sources complex and costly. However, MTN has been working with tower owners and government officials to adopt renewable energy solutions, particularly for new infrastructure. This initiative is a key element of MTN's broader long-term strategy to decarbonize its operations and align its infrastructure with an evolving global sustainability agenda.

This approach underscores MTN's commitment to managing its carbon footprint and contributing to broader sustainability goals. While the transition to cleaner energy will take time, the company's proactive collaboration with stakeholders reflects both leadership and a clear understanding of the urgent need for sustainable energy solutions.

We will continue to monitor MTN's progress and key milestones in its renewable energy transition. Through its ongoing dialogue with stakeholders, we believe MTN has the potential to lead the sector in driving the shift toward a more sustainable telecommunications infrastructure across Africa.

We firmly believe in our responsibility as investors to promote progress in sustainability practices for the benefit of all stakeholders, especially the people in emerging markets.

Social: Health and Safety

Vale—Brazilian Mining Giant

Vale, one of the world's largest mining companies, faced catastrophic dam collapses at its operations in 2015 and 2019, which led to the tragic loss of human lives and environmental devastation. These incidents placed the company under intense scrutiny, but we believe it has responded appropriately. Our team engaged with Vale's management nine times in 2024 to monitor reparations and discuss the company's efforts to prevent future accidents.

We acknowledge the severity of Vale's past and our responsibility to maintain an active dialogue with the company's management to track progress. Since the incidents, Vale has made substantial efforts to overhaul its operations, focusing on improving safety standards, decommissioning tailings dams and fostering stronger relationships with affected communities.

Based on recent engagements, Vale appears on track to meet its target of eliminating all high-risk tailings dams by the end of 2025. Additionally, the company has committed to sharing detailed data and insights collected during the decommissioning process with industry peers to improve safety practices across the sector. We believe Vale's transparency in sharing this information underscores its commitment to not only addressing its own risks but also advancing industry standards.

Health and safety have become central to Vale's culture. In our engagements, management has made it clear that any future safety incidents, regardless of scale, could jeopardize the company's existence. The company has significantly strengthened its health and safety protocols, focusing particularly on increasing technical training for its workforce. It also implemented third-party validation and certification procedures to ensure its efforts remain effective.

Vale's transparency in sustainability reporting is another noteworthy development. The company now discloses a comprehensive set of non-financial metrics, providing stakeholders with a clearer understanding of its progress in areas such as health and safety, environmental protection and community relations.

We believe Vale has made significant strides in demonstrating a strong commitment to its operational transformation and the well-being of its employees, the environment, and local communities. However, any setbacks will prompt us to reassess our investment.

A natural part of our interactions with companies is engagement. In 2024, we conducted over 850 meetings with nearly 500 companies.

PROXY VOTING

Proxy voting is an important aspect of our investment responsibilities and a valuable avenue for encouraging and improving governance practices. This is especially important in EM countries, where shareholder rights may not be as well established as in developed markets, and the ability to participate and effect change via proxy voting may be more challenging given varied governmental and regulatory environments.

Among the most frequent matters we vote on are director appointments, remuneration and corporate actions. We have gained considerable insight into the right types of leaders within the context of companies, industries and countries broadly, while frequent interactions with company executives and directors provide us valuable perspective on specific individuals.

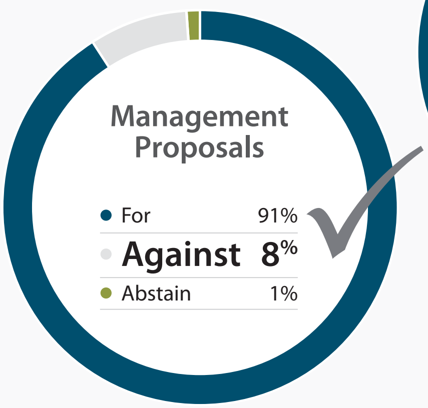
We vote all shares held in the portfolios we manage unless our clients have specifically directed us not to vote or the costs or consequences of voting shares outweighs the benefits of voting. When making voting decisions, we follow the process and guidelines set forth in our Proxy Voting Policy, which is available on our website at www.artisanpartners.com, and our full proxy voting record is available upon request.

We vote against management proposals a meaningful number of times, and we support a significant percentage of shareholder proposals.

During the 2024 proxy season
we voted in 79 out of 80 meetings

We voted across
22 different countries

Total Proposals:
6



Total Proposals:
698

THOUGHT LEADERSHIP AND INDUSTRY ENGAGEMENT

At a firm level, Artisan Partners is a signatory to the Principles for Responsible Investment (PRI) and a member of the SASB Alliance Program. Additionally, the Sustainable Emerging Markets team is part of the Emerging Markets Investor Alliance (EMIA), a nonprofit organization that enables institutional investors to promote good governance and sustainable development in EM.

While our primary responsibility is managing client assets through disciplined investment, we also recognize our role in advocating for the integration of sustainability within the EM investment community. In 2024, our team participated in multiple conferences and discussions with industry stakeholders including thought leaders, sustainability experts, academic researchers and peers. These interactions provided a platform for sharing our views and approach to the rapidly evolving field of sustainability. Engaging in such discussions is essential for staying informed, debating and refining ideas and continuously evolving our understanding of sustainability as a tool for managing risk and capturing opportunities in the best interests of our clients.

Our graduate internship program remains a cornerstone of our efforts, providing young professionals with a hands-on experience of integrating sustainability into investment analysis. In 2024, we welcomed a new cohort of graduate students who brought fresh academic perspectives, further strengthening our internal processes.

Signatory of:

Principles for Responsible Investment

Sustainability Accounting Standards Board

Emerging Markets Investors Alliance

As we look ahead, we remain committed to deepening our engagement with companies, academics, policymakers and clients to advance sustainability across EM.

For more information please visit:

www.ArtisanPartners.com | www.ArtisanCanvas.com

As we enter 2025, we remain committed to our belief that sustainable innovation is essential for long-term success in EM. We believe companies that embrace this view by enacting change, improving practices and building resilience will lead the way.

Maria Negrete-Gruson, CFA
Portfolio Manager

For more information: Visit www.artisanpartners.com

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. This is a marketing communication.

This summary represents the views of the portfolio manager as of 31 Dec 2024 and do not necessarily represent those of Artisan Partners. The views and opinions expressed are based on current market conditions, which will fluctuate, and those views are subject to change without notice. While the information contained herein is believed to be reliable, there is no guarantee to the accuracy or completeness of any statement in the discussion. Any forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation. ESG assessments represent one of many pieces of research available and the degree to which it impacts holdings may vary based on manager discretion. The discussion of portfolio holdings does not constitute a recommendation of any individual security.

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.

For the purpose of determining the portfolio's holdings, exposures are delta-adjusted at the issuer level and may include multiple securities of the same issuer. Securities referenced may not represent all of the securities in the portfolio. If certain information is unavailable for a particular security Artisan Partners may use data from a related security to calculate portfolio characteristics. The holdings mentioned above comprise the following percentages of a representative account within the Composite's total net assets as of 31 Dec 2024: Cosmax Inc 1.2%, Bank Rakyat Indonesia Persero Tbk PT 1.0%, MTN Group Ltd 1.1%, Vale SA 1.1%, GPS Participacoes e Empreendimentos SA 1.0%, Frontken Corp Bhd 0.9%, MercadoLibre Inc 3.2%, Prosus NV 2.9%, Gentera SAB de CV 1.4%, Kaspi.KZ JSC 1.6%, Cemex SAB de CV 0.8%, Vista Energy SAB de CV 2.2%, Havells India Ltd 1.9%, E Ink Holdings Inc 3.6%. Securities named in the Commentary, but not listed here are not held in the portfolio as of the date of this report.

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