

Authentic EM: Alpha Isn't Just a Greek Letter

A core aspect of our team's investment approach is identifying opportunities in countries that emerging market investors often overlook. Greece, a country with a challenging economic history, is a prime example. Our investment thesis for Alpha Services and Holdings, a leading Greek banking institution, is built on Greece's remarkable economic transformation and Alpha's pivotal role in it.



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32 Years Investment
Experience

Discovering Opportunities in Overlooked Markets: Alpha Services and Holdings

Alpha is one of Greece's largest banks, offering a diverse range of financial services to both corporate and retail clients. It has emerged as a success story despite Greece's past economic struggles. Through its credit discipline and robust balance sheet, Alpha has positioned itself to take advantage of various governmental programs to boost economic activity, such as the country's "Greece 2.0" plan and the European Union's Recovery and Resilience Facility. These initiatives focus on providing low-cost loans to strategic sectors, such as green energy and infrastructure, which help modernize and diversify Greece's economy, drive broader-based investments and generate follow-on economic growth.

Alpha plays a central role in this capital allocation mechanism, enabling the bank to expand its portfolio robustly. Additionally, consumer lending is expected to recover as GDP growth strengthens and consumer debt levels normalize, supported by government subsidies that help safeguard Greek citizens' financial stability.

We initially invested in Alpha over a decade ago and are excited to see the company capitalize on Greece's shift toward more orthodox economic policies, which have helped sustain its economic recovery. We believe Alpha will continue to be a bright spot in Europe, a region otherwise grappling with weak growth in its financial sector.

Connecting the Dots: Greece's Broader Investment Opportunity

Greece's economic history is one of the most challenging among emerging markets, with a devastating five consecutive years of GDP contraction starting in 2009. Although Greece is still associated with its past struggles, we see a different picture—one of resilient companies, progressive reforms, and emerging sectors poised for sustainable growth. Greece's journey from financial crisis to a robust emerging market in the heart of Europe offers a constructive tale for emerging markets investors willing to look beyond the BRIC countries.

Between 2009 and 2014, Greece faced massive debt burdens, sovereign credit downgrades, and reform efforts that were met with resistance, ultimately leading to its demotion from developed to emerging market status. While other investors were pulling out, we were early in identifying Greece's potential to recover. For over a decade, we have remained committed to Greece's long-term economic transformation, investing across sectors such as consumers, industrials and financials. Throughout our years of investing in Greece, we have developed a deep understanding of the local market. We have identified companies that not only survived the crisis but also emerged stronger, more disciplined and equipped with sustainable competitive advantages, led by seasoned management teams. Alpha has been a clear testament to this resilience.



The Importance of Engagement and Sustainability

Our experience in Greece reflects our broader investment philosophy. We travel extensively across emerging markets, conduct on-the-ground research and engage with management teams. Our process uncovers opportunities that can be easily missed when focusing top-down on more prominent markets.

Direct engagement with management teams gives us a deeper understanding of the business and local market dynamics, and, more importantly, helps us build trust. Over the past decade, our team has engaged with Alpha's management more than 20 times. These discussions have spanned a range of topics, from strategic plans and views on the local economy to a specific focus on sustainability.

In addition to offering environmental and social loans with favorable terms, Alpha has developed a robust educational platform, providing financial literacy programs for young students and digital training for aging adults. We believe in Alpha's commitment to supporting the people of Greece, and we see a clear alignment with our goal of delivering returns to our clients while contributing to a better future for the people in emerging markets.

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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.

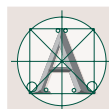
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For the purpose of determining the Fund's holdings, securities of the same issuer are aggregated to determine the weight in the Fund. The discussion of portfolio holdings does not constitute a recommendation of any individual security. These holdings comprise the following percentages of the Artisan Sustainable Emerging Markets Fund's total net assets as of 31 Dec 2024: Alpha Services and Holdings SA 0.9%.

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