# Artisan Developing World Fund

QUARTERLY
Commentary

Investor Class: ARTYX | Advisor Class: APDYX | Institutional Class: APHYX

As of 30 September 2025

Portfolio Management
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Dear Fellow Shareholder:

## Market Backdrop

The Artisan Developing World Fund (Investor Class) returned 2.02% for the quarter ended September 30, 2025, versus 10.64% for the MSCI Emerging Markets Index (all returns in USD unless stated otherwise). Since June 30, 2015, the Artisan Developing World Fund has returned 197.93% cumulatively, versus 77.06% for the MSCI Emerging Markets Index. Markets continued their march higher on the back of global enthusiasm for artificial intelligence (AI) underscored by enormous hyperscale capex programs around the world, and due to lower policy rates in the US. Interestingly, the rate cut from the Fed did not result in a weaker dollar this quarter. In fact, the MSCI Emerging Markets Currency Index declined 47bps this quarter. However, the weaker dollar environment manifested itself in stronger returns from emerging markets equities. China was the best performing major market globally (MSCI China Index +20.70%), as relations with the US showed signs of progression while China's AI story overwhelmed deflationary pressures and economic concerns. Korea (MSCI Korea Index +12.75%) and Taiwan (MSCI Taiwan Index +14.33%) also performed well as investors sought global AI beneficiaries such as Taiwan Semiconductor Manufacturing and SK Hynix, while investments in Intel from both the US government and NVIDIA may have helped to fuel additional optimism about the demand backdrop. Nearly every emerging markets equity index increased this quarter, with India and Indonesia the notable exceptions among major markets (the Philippines also declined modestly). Indonesian markets declined (MSCI Indonesia Index -3.09%) as a housing allowance increase for members of parliament further underscored inequality concerns and led to riots in Jakarta and the removal of technocratic finance minister Sri Mulyani Indrawati. India declined (MSCI India Index -7.61%) as the US announced additional tariffs would be issued in response to India's continued purchases of Russian crude oil and due to sharply higher application fees for H-1B visas in the US, which could affect India's IT services industry disproportionately.

## Contributors and Detractors

Top contributors to performance for the quarter included Chinese platform company Tencent, Southeast Asian e-commerce and gaming leader Sea, Southeast Asian mobility company Grab, Chinese online recruitment services company Kanzhun (BOSS), and global graphics semiconductor company NVIDIA. Tencent rose due to continued business acceleration in its core gaming and advertising businesses and growing optimism about the company's potential in AI and cloud services despite a more cautious approach to capex and external customer acquisition. Sea benefited from accelerating e-commerce growth despite continued investment and momentum in financial services, which has the potential to emerge as a significant new leg to the story. Grab rose due to acceleration it its core business, as its product-led affordability strategy and customer segmentation efforts drove penetration in the region. BOSS rose on the heels of improving demand for recruitment services as visible in an improved billings outlook, and optimism around its AI-related initiatives. NVIDIA benefited from continued growth in data center investments and early steps from the US government to enable NVIDIA's reentry into the Chinese market.

Bottom contributors to performance for the quarter included Latin American online platform company MercadoLibre, Dutch digital payments processor Adyen, Chinese online local services platform Meituan, global electronic marketplace operator Tradeweb, and British semiconductor and software design company ARM Holdings. MercadoLibre fell due to concerns around rising investments into free shipping and recent macro and political uncertainty in Argentina, even as core business trends in e-commerce and financial services remain robust. Adyen declined after reporting headwinds at Asian-headquartered customers subject to de minimis law changes in the US, which resulted in nominally lower top-line expectations even as core business trends remain more or less unchanged. Meituan was impacted by rising competition in the food delivery and on-demand retail categories, as Alibaba entered the food delivery subsidy fray following JD.com's competitive push earlier in the year. Tradeweb declined amid worsening market share dynamics in the investment grade and high yield credit segments. ARM fell after increasing its operating expense outlook as the company explores developing its own chip, while legacy smartphone pressures have offset some of the progress from higher royalty rates and broad data center adoption.

## Market Outlook

This quarter brought increased discussion of the notion of fiscal dominance, and the risks of central banks targeting lower policy rates to help contain fiscal obligations. The notion of fiscal dominance is not new in countries such as Brazil, but concerns over this dynamic in the US are creating asset allocation shifts as visible in China's stock market performance and continued demand for emerging markets equities. Notably, transmission of these concerns to currency markets this quarter was contained. One reason for this is that currency movements are relative: The UK, Japan and (within continental Europe) France all saw fiscal flashpoints this quarter that could affect their currency outlooks. A second reason could be the emergence of stablecoin legislation in the US. In particular, the reserve requirements attached to the Genius Act legislation for stablecoins could create a captive buyer for short-term US Treasurys, especially as stablecoin volumes grow over time. Moreover, the emergence of stablecoin legislation provides a formal mechanism for emerging markets liquidity outside the banking system to pursue stores of value linked to US financial assets. While cryptocurrency prices can certainly decline and temper stablecoin creation and demand, institutional adoption of decentralized finance and proliferation of stablecoin payments acceptance could also reinforce stablecoin demand and in turn demand for short-term US Treasurys. Notably, China, which has the potential to create a stablecoin ecosystem with global appeal, has so far treaded carefully, presumably due to concerns about capital flight if it were to effectively open its capital account via stablecoin. In any case, the emergence of stablecoin legislation in the US may provide context to the recent foreign exchange (FX) plateau against the backdrop of a presumed weak dollar environment. Stablecoins (like AI) underscore the power of US ecosystems for capital formation, while not altering the desired exposure outside dollar assets.

China's ecosystems for capital formation were also apparent this quarter, as the initial DeepSeek achievement was followed by large capex announcements from Chinese hyperscalers and the emergence of proprietary semiconductor capabilities across the Chinese tech ecosystem. Moreover, China is increasingly encouraging domestic technology companies to adopt homegrown technology as visible in restrictions on Chinese adoption of NVIDIA chips, which presumably would have been highly attractive to Chinese companies. We have long highlighted that China's ecosystems for capital formation are unique in an emerging markets context and increasingly rivaled only by those in the US. Another notable development this quarter was the improved trajectory of US-China relations, at least as measured by tariff stability and ongoing negotiations. This has brought global investors back to China to some degree, particularly in the context of historically high valuations and concerns about unsustainable levels of AI capex in the US. Meanwhile, domestic Chinese investors are rewarding China's AI story as visible in increased Southbound participation in offshore Hong Kong markets. It is notable that interest rates are quite low in China, and domestic investors may also be reacting to lower cash returns. While deflationary pressures are still visible in China and the real estate market has yet to reflate, improved capital formation in China holds some potential for improved economic outcomes. We have been careful to retain pathways to a higher weight in China. While we have not always executed on these pathways perfectly, they have proven effective in achieving a degree of participation in China's market reflation. For example, successful investments in Tencent and BOSS partially funded a new investment in Alibaba. We believe the portfolio offers a useful way to gain exposure to scalable assets in China without imprudent amounts of capital at risk, at least relative to benchmark levels of exposure.

## Portfolio Positioning

The increasing influence of technology, semiconductors and AI in emerging markets indices was visible this quarter. In fact, China (594bps), Taiwan (273bps) and Korea (135bps) combined for substantially all of the MSCI Emerging Markets Index's 1,054bps return this quarter. The portfolio provides exposure to technology, semiconductors and AI, specifically via scalable assets with the potential for both revenue velocity and high incremental margins. We take this approach because it can create the potential for disproportionate equity outcomes, and because we believe it is prudent to limit the capital at risk to any single investment or theme. Within semiconductors, this approach has yielded our best investment since inception (NVIDIA), and we are hopeful that ARM can become a scalable asset over time as it emerges from its AI investment cycle and brings new AI products to market. More broadly, China, Korea and Taiwan have all been success stories because they sell products the world wants to buy (though China also has a vibrant domestic demand story aligned to penetration and scale); in essence, this is a production-driven construct. Production-driven investing requires vibrant ecosystems for capital formation. However, nearly every other emerging markets country continues to suffer from a dearth of capital formation (though India has some potential), which is unlikely to be alleviated by lower policy rates in the US or the emerging markets. Nowhere is this more visible than in the protests that surfaced in both Indonesia and Argentina this quarter, as limited capital formation has constrained employment and economic participation in those countries. We have underscored in recent quarters that our focus on large population clusters aligned to the modern economy informs our stock picking. In essence, by aligning our portfolio to scalable businesses where modern population clusters can accelerate the value creation process, we are not held captive to limited ecosystems for capital formation, production-driven investing, or slow progression in the middle class. We believe our approach is well aligned to the penetration and scale that underscores the emerging markets opportunity.

The weak dollar environment continues to drive changes in global asset allocation. As we articulated last quarter, we have avoided a transactional approach to asset allocation that could reinforce suboptimal portfolio outcomes, instead preferring flexion as an asset allocation tool. While this approach is inherently less transactional, its impact on asset allocation can be quite significant over time. For example, our exposure to US-domiciled passporters has fallen from 43.3% in August 2022 to 31.4% today, while our position in Airbnb has fallen from 6.9% of the portfolio to 2.2% over the same period. Of course, active buy and sell decisions complement this approach. For example, we have harvested gains in NVIDIA over time to build out a vibrant India portfolio. Some of these Indian investments have been valuable performance drivers, such as Eternal, which we have incubated at smaller weights and is now showing progression toward high incremental margins to complement existing revenue velocity. As this position grows in size, it begins to displace assets such as Airbnb, that have performed less well, thereby driving additional gradual asset allocation shifts. The reflation and reemergence of China as an investment opportunity is similarly driving gradual changes in our asset allocation. At the same time, it is worth noting that the West retains exposure to unique ecosystems for capital formation, which can be passported into the emerging markets and are especially well suited to disproportionate equity outcomes. For example, Snowflake is another name we have incubated at a smaller weight that has now exhibited both high incremental margins and revenue velocity; it can therefore participate in increased data creation in modern AI computing architectures in a disproportionate way. To the extent that our passport exposure declines further, we think it is important to retain targeted exposure to beneficiaries of Western ecosystems for capital formation that are conducive to disproportionate equity outcomes. We also believe that passport correlation stocks such as Coca-Cola and new holding Safran can provide a ballast to portfolio returns and volatility over time.

We thank you for your trust and confidence.

## Investment Process

We seek to build, preserve and enhance a stream of compounded business value. We define this emphasis as follows:

**Build:** Pair low penetration domestic demand with scalable and enduring businesses that are able to drive value creation and disproportionate outcomes.

**Preserve:** Preserve value creation and establish a forward-looking construct for managing risk.

**Enhance:** Leverage value pathways to enhance long-term value creation.

## Investment Results (%)

| | | | Average Annual Total Returns | | | | |
|---|---|---|---|---|---|---|---|
| As of 30 September 2025 | QTD | YTD | 1 Yr | 3 Yr | 5 Yr | 10 Yr | Inception[1] |
| **Investor Class: ARTYX** | **2.02** | **19.02** | **19.47** | **27.82** | **4.60** | **13.56** | **11.28** |
| **Advisor Class: APDYX** | **2.11** | **19.16** | **19.72** | **28.06** | **4.78** | **13.76** | **11.47** |
| **Institutional Class: APHYX** | **2.14** | **19.26** | **19.81** | **28.17** | **4.87** | **13.87** | **11.58** |
| MSCI Emerging Markets Index | 10.64 | 27.53 | 17.32 | 18.21 | 7.02 | 7.99 | 5.87 |

Source: Artisan Partners/MSCI. Returns for periods less than one year are not annualized. [1]Fund inception: 29 June 2015.

| Expense Ratios | ARTYX | APDYX | APHYX |
|---|---|---|---|
| Semi-Annual Report 31 Mar 2025[1] | 1.30 | 1.13 | 1.04 |
| Prospectus 30 Sep 2024[2] | 1.31 | 1.13 | 1.05 |

[1]Unaudited, annualized for the six-month period. [2]See prospectus for further details.

**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.**

## Top 10 Holdings (% of total portfolio)

| | |
|---|---|
| Tencent Holdings Ltd | 6.1 |
| Sea Ltd | 5.9 |
| MercadoLibre Inc | 5.8 |
| Visa Inc | 4.7 |
| Adyen NV | 4.4 |
| Crowdstrike Holdings Inc | 4.4 |
| MakeMyTrip Ltd | 4.3 |
| NVIDIA Corp | 3.6 |
| The Coca-Cola Co | 3.4 |
| NU Holdings Ltd | 3.4 |
| **TOTAL** | **46.0%** |

**For more information:** Visit www.artisanpartners.com | Call 800.344.1770

**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. 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 MSCI Emerging Market Currency Index measures the total return of emerging market currencies relative to the US dollar, where the weight of each currency is equal to its country weight in the MSCI Emerging Markets Index. MSCI China Index captures large- and mid-cap representation across China A shares, H shares, B shares, Red chips, P chips and foreign listings (e.g., ADRs). MSCI Emerging Markets ex-China Index measures the performance of emerging markets, excluding Chinese equities. All single country returns are net returns based on MSCI country indices. Each country index is designed to measure the performance of the large- and mid-cap segments of the country's market. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. Nasdaq Composite Index measures all Nasdaq domestic and international based common type stocks listed on The Nasdaq Stock Market (Nasdaq). This index is ordinarily calculated without regard to cash dividends of the index securities. Oversight responsibility for the Index, including methodology, is handled by Nasdaq OMX. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

The portfolio managers' views are subject to change, and Artisan disclaims any obligation to advise investors of such changes.

For the purpose of determining holdings, securities of the same issuer are aggregated to determine the weight in the portfolio. Portfolio holdings are subject to change without notice and are not intended as recommendations of individual securities. Further portfolio holdings information is available upon request. Unless otherwise indicated, all information in this report includes all classes of shares, except performance and expenses.

**Contribution to Return (CTR)** represents the contribution of an investment to the total portfolio return. CTR is calculated by multiplying a security's portfolio weight by its in-portfolio return daily for the period and has been derived from a holdings-based methodology, which uses daily positions and pricing rather than intraday transactions. **Attribution** quantifies the relationship between a portfolio's relative returns and the active management decisions differentiating the portfolio from the benchmark. **CTR and Attribution** are not exact, nor representative of actual investor returns due to several variables (e.g., fees, expenses, transactions) and therefore should be considered an approximation and examined in conjunction with the performance of the portfolio during the period. If applicable, securities of the same issuer are aggregated and may be delta-adjusted to determine the weight in the portfolio, and aggregation of corporate affiliates is subject to the determination of Artisan Partners. Further information on the methodology used is available upon request.

If applicable, revenue data is sourced from FactSet, is approximate and is subject to change based on the availability of company reported data.

This material is provided for informational purposes without regard to your particular investment needs and shall not be construed as investment or tax advice on which you may rely for your investment decisions. Investors should consult their financial and tax adviser before making investments in order to determine the appropriateness of any investment product discussed herein.

**Passport Companies** ("Passporters") refer to companies based in developed markets that have economic ties to emerging markets and/or consumers or users in the emerging markets. **Flexion:** The concept of flexion recognizes that individual stocks move up and down more than the rest of the portfolio and individual buys and sells are incremental in nature. Adding with a progression to a lower weight refers to a stock that is declining more than the rest of the portfolio and our purchases make up less weight than the decline in portfolio weight from stock depreciation. Selling with progression to a higher weight refers to stocks that are rising more than the rest of the portfolio and sales are less than the increase in portfolio weight from stock appreciation. **Capital Expenditures (capex)** to either purchase fixed assets or to upgrade existing fixed assets having a useful life longer than the taxable year. **Operating Expenses** refer to the expenditures that a business incurs as a result of performing its normal business operations. **Stablecoin** is a type of cryptocurrency designed to maintain a stable value, often by being pegged to a fiat currency like the US dollar or a commodity like gold. **GENIUS Act**, or Guiding and Establishing National Innovation for U.S. Stablecoins Act, is a bill aimed at creating a federal regulatory framework for stablecoins.

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