Artisan Emerging Markets Debt Opportunities Strategy

QUARTERLY

Commentary

As of 30 June 2026

Portfolio Management

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Performance Discussion

The portfolio trended higher for Q2, outperforming the J.P. Morgan EMB Hard Currency/Local Currency 50/50 Index for the period, and has remained ahead of the index since inception.

Exhibit 1: Total Benchmark Returns

	Q2 2026	Year To Date	Trailing 1-Year
J.P. Morgan EMBI Global Diversified Index	4.63%	3.32%	11.78%
J.P. Morgan GBI-EM Global Diversified Index	3.85%	1.52%	7.85%
J.P. Morgan CEMBI Broad Diversified Index	2.42%	2.21%	6.82%
J.P. Morgan EMB Hard Currency/Local Currency 50/50 Index	3.69%	2.16%	8.59%

Source: J.P. Morgan. As of 30 Jun 2026. **Past performance does not guarantee and is not a reliable indicator of future results.**

Investing Environment

The conflict in the Middle East remained one of the dominant themes driving capital markets in Q2 2026. The quarter started with ongoing missile exchanges and drone strikes across the region, but the conflict generally moved toward de-escalation as the quarter proceeded. A temporary ceasefire was brokered by Pakistan in mid-April, and a memorandum of understanding (MoU) was signed in late June. However, downside risk remains given the ceasefire's fragile nature. The MoU is non-binding, and many key points regarding the nuclear program, sanctions relief, frozen assets and the Strait of Hormuz still need to be agreed upon.

Given the severe disruptions to shipping through the Strait of Hormuz, this regional conflict continued to have global implications for energy prices and, by extension, inflation. Oil prices remained elevated for most of the quarter but declined sharply after the MoU was signed.

All segments of the emerging markets (EM) debt universe generated positive returns during the period, despite geopolitical uncertainty and elevated inflationary risks. EM sovereign bonds returned 4.63%, outperforming both their local currency and corporate bond counterparts. EM local currency bonds returned 3.85%, while EM corporate bonds gained 2.42%.

Sovereign and corporate credit spreads narrowed over the period. Sovereign spreads outperformed corporate spreads, with high yield sovereigns tightening more than their investment-grade counterparts during the quarter.

Strong demand for EM debt supported healthy sovereign and corporate issuance, bringing the year-to-date total to $435.6 billion, a 10.5% increase year over year. Corporate issuance outpaced sovereign issuance during the quarter, totaling $259.7 billion and $175.9 billion, respectively. Investment-grade borrowers drove primary market activity, led by Poland's and Brazil's sizable deals in April. While high yield issuance was comparatively limited, notable transactions included the Democratic Republic of Congo's debut eurobond and Pakistan's return to capital markets after a four-year hiatus. Inflows into the asset class were positive in Q2, totaling $13.5 billion.

In developed market economies, central banks differed in the direction of their respective monetary policies. The ECB and BOJ hiked interest rates in an effort to fend off energy-related inflationary pressures, and the BOE held rates steady. Meanwhile, the US Federal Reserve also left rates unchanged. Market participants tended to view the new chair, Kevin Warsh, as a hawkish development for US monetary policy.

EM central banks showed even more divergence in their interest rate decisions. Several countries, such as Indonesia, Philippines and South Africa, raised rates to stave off growing inflationary threats. Others, such as Mexico, Nigeria and India, left rates unchanged but indicated they would closely monitor cost pressures. Brazil and Hungary were dovish outliers, lowering rates during the period.

The US dollar strengthened again in Q2, in part due to the new Federal Reserve chair's perceived hawkishness. There was broad dispersion in EM currencies during the period. Top-performing currencies were largely driven by idiosyncratic tailwinds: the Egyptian pound was bolstered by reserve accumulation and IMF support for the country's flexible exchange rate policy; Peter Magyar's victory over Viktor Orban imbued optimism for the Hungarian forint; and the Zambian kwacha was supported by strong copper prices and a bumper maize harvest. Currencies of oil-importing countries facing elevated inflationary pressures, such as Sri Lanka, Indonesia and Turkey, tended to be the worst performers during the period.

Ukraine was among the top-performing sovereign credits in Q2. Substantial financial support from the IMF, the EU and other bilateral partners, coupled with improved expectations of a negotiated settlement, drove meaningful tightening in credit spreads from distressed levels. Conversely, India was among the worst performing sovereign credits. The relative underperformance reflected its strained fiscal situation and the central bank's limited scope for additional rate cuts amid elevated energy prices.

While EM debt remains highly sensitive to macroeconomic and geopolitical factors, local developments continued to drive idiosyncratic performance across countries. The politically right shift in South America continued, as Abelardo "El Tigre" De La Espriella won Colombia's presidency and Keiko Fujimori eked out a narrow presidential victory in Peru. Widespread protests plagued Bolivia amid growing dissatisfaction with the country's economy. Demonstrators nationwide erected road blockades and called for President Paz's resignation, but agreements between labor groups and the government largely ended the near-term unrest. Ukraine demonstrated pockets of military success, recapturing territory and striking key oil refineries ever deeper into Russian territory.

Portfolio Positioning

In our view, the portfolio has remained conservatively positioned given continued geopolitical uncertainty that characterized Q2. This investing environment, however, continues to offer unique and interesting investment opportunities that the team seeks to capitalize on. The portfolio hedges the US interest rate exposure associated with dollar-denominated investments and, as a result, is underweight duration relative to the J.P. Morgan EMB Hard Currency/Local Currency 50/50 Index. Across emerging markets, the portfolio holds overweight rates positions across Eastern Europe, while maintaining underweight positions in Asia, where policy rates are generally lower. On the credit side, the portfolio is overweight to sovereign credit relative to the index, favoring high yield issuers with strong fundamentals and spread-tightening potential, while maintaining underweight exposure to select investment-grade names where we believe valuations are less compelling. Credit positioning remains focused on the front end of the respective yield curves, resulting in approximately one year underweight spread duration relative to the index. The team increased currency exposure during the quarter. The portfolio remains overweight currencies from countries with strong macro fundamentals and attractive carry—primarily in Central Asia and Africa—while underweight those with elevated fiscal risk or where energy-related inflationary pressures present downside risks, particularly in Asia.

The EMsights Capital Group continues to search for countries with improving storylines where market prices are not fully reflecting fundamentals. The team continues to seek out idiosyncratic events in the sovereign and corporate space that can shape the market landscape and drive divergence between the regions and countries, while maintaining a cautious stance on emerging markets debt looking toward subsequent quarters. The global economy remains characterized by elevated geopolitical volatility, which we believe can present attractive opportunities in emerging markets debt.

Exhibit 2: Q2 2026 Attribution—Relative to the J.P. Morgan EMB Hard Currency/Local Currency 50/50 Index

Contributors
Overweight Egyptian FX
Overweight Uzbek FX
Overweight Zambian FX and sovereign credit
Detractors
Underweight South African FX and rates
Underweight Colombian FX and rates
Underweight Mexican FX

Investment Results (% USD)

As of 30 June 2026	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
			Average Annual Total Returns				
Composite: Gross—Inception: 1 May 2022	**5.51**	**6.67**	**16.00**	**13.27**	—	—	**13.76**
Composite: Net	**5.32**	**6.27**	**15.14**	**12.43**	—	—	**12.92**
J.P. Morgan EMB Hard Currency / Local Currency 50/50 (USD)	3.69	2.16	8.59	8.26	—	—	7.07

Calendar Year Returns (% USD)

	2021	2022	2023	2024	2025
Composite: Net	—	—	**13.68**	**10.03**	**15.90**

Source: Artisan Partners/J.P. Morgan. Returns for periods less than one year are not annualized. On January 2, 2025, the fair value methodology used to value debt held by the Artisan Emerging Markets Debt Opportunities Strategy was changed from using bid pricing to using the midpoint between the bid and ask price. The change resulted in a one-time increase of less than 0.40% in the composite performance for Artisan Emerging Markets Debt Opportunities Strategy.

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: 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. 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, and 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. Fixed income securities carry interest rate risk and credit risk for both the issuer and counterparty and investors may lose principal value. In general, when interest rates rise, fixed income values fall. High yield securities (junk bonds) are speculative, experience greater price volatility and have a higher degree of credit and liquidity risk than bonds with a higher credit rating. Use of derivatives may create investment leverage and increase the likelihood of volatility and risk of loss in excess of the amount invested. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request. This is a marketing communication.

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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 transaction-based methodology, which includes the impact of 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.

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.

The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

The J.P. Morgan (JPM) EMB Hard Currency/Local currency 50-50 is an unmanaged, blended index consisting of 50% JPM Government Bond Index-Emerging Market Global Diversified (GBIEMGD), an index of local-currency bonds with maturities of more than one year issued by EM governments; 25% JPM Emerging Markets Bond Index-Global Diversified (EMBIGD), an index of USD-denominated bonds with maturities of more than one year issued by EM governments; and 25% JPM Corporate Emerging Market Bond Index-Broad Diversified (CEMBIBD), an index of USD-denominated EM corporate bonds.

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