



Artisan Floating Rate Fund

MONTHLY Commentary

Investor Class: ARTUX | Advisor Class: APDUX As of 31 August 2024

Commentary

Our portfolio outperformed the Credit Suisse Leveraged Loan Index during the month. Our allocation to secured bonds contributed positively to returns as fixed rate assets generally outperformed floating rate during the month. In addition, our security selection within bank loans was a positive contributor. Across ratings, the portfolio benefited from positive selection effects in B- and below CCC-rated debt. From a sector perspective, security selection in insurance and retail were the primary contributors, while selection within leisure was a modest detractor.

Volatility increased significantly at the beginning of August, as markets encountered a “growth scare” from an unexpectedly weak employment report early in the month. In response, Treasury yields fell precipitously across the curve, while the equity market experienced a sharp selloff. The 2-Year Treasury yield fell 34bps while the 10-Year yield declined 13bps; the 2-Year yield ended the month at its lowest level since May 2023, fully erasing all of its yield increase from earlier in the year. Equity markets quickly recovered as the month progressed, with a bevy of economic data giving investors comfort that the economy was still broadly on solid footing while the Fed admitted that its focus has clearly shifted to avoiding further cooling in the labor market, explicitly stating that “the time has come for policy to adjust.”

The early month volatility spike affected credit markets, with notable spread widening across both high yield bonds and leveraged loans. However, similar to equity markets, both high yield bonds and leveraged loans recovered quickly and rallied to end August; after rising 20bps early in the month, discount margins tightened to 495bps overall by month-end, roughly 5bps below July. As a result, the Credit Suisse Leveraged Loan Index returned 0.6% during the month, driven by an attractive average coupon for the index that remains near 9%. With year-to-date returns of approximately 5.8%, leveraged loans are tracking toward full-year returns that are in line with index yields at the beginning of the year, while the asset class continues to exhibit less price volatility than other parts of credit markets.

Primary market activity declined relative to July, consistent with a typical summer slowdown as the high yield market priced \$18 billion in gross issuance and the loan market priced \$26 billion. Default activity remains dominated by distressed exchanges/liability management exercises (LMEs) rather than “hard defaults” (bankruptcies or missed payments). While distressed exchanges continue to increase, it’s worth putting their size in the context of the total market; according to JP Morgan data, distressed exchange volume across bonds and loans in 2024 is less than 1.3% of the total market size.

Price action in August reminds credit investors that market sentiment can change quickly. Across our platform, we believe volatility creates opportunity, as short-term sentiment changes can enable us to lend to quality businesses at even more attractive entry points. While the volatility spike was fleeting this time, we believe these episodic periods will continue and can ultimately reward disciplined, high-conviction credit investors over the long term.

Portfolio Details	ARTUX	APDUX
Net Asset Value (NAV)	\$9.55	\$9.55
Inception	1 Dec 2021	1 Dec 2021
30-Day SEC Yield (%)*	8.57/9.49	8.80/9.59
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2024 ^{1,2,3,4}	1.74/1.20	1.38/1.10
Prospectus 30 Sep 2023 ^{3,4}	2.76/1.22	1.59/1.12

*Unsubsidized/subsidized. ¹Unaudited, annualized for the six-month period. ²Excludes Acquired Fund Fees and Expenses as described in the prospectus. ³Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. ⁴See prospectus for further details.

Portfolio Statistics

Number of Holdings	94
Number of Issuers	70

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

Delta Topco Inc	5.5
Nexus Buyer LLC	4.0
Edelman Financial Engines Center LLC	3.3
TKC Holdings Inc	3.0
Ultimate Software Group Inc	3.0
Applied Systems Inc	2.3
The Ardonagh Group	2.1
Fogo De Chao Inc	2.1
Surgery Center Holdings Inc	2.0
BroadStreet Partners Inc	2.0
TOTAL	29.3%

Source: Artisan Partners/Bloomberg. For the purpose of determining the portfolio’s holdings, securities of the same issuer are aggregated to determine the weight in the portfolio.

Investment Results (%)

As of 31 August 2024	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	0.69	1.20	4.45	8.57	—	—	—	5.51
Advisor Class: APDUX	0.81	1.33	4.53	8.80	—	—	—	5.62
Credit Suisse Leveraged Loan Index	0.60	1.33	5.84	9.81	—	—	—	6.56

As of 30 June 2024								
Investor Class: ARTUX	0.16	1.04	3.21	10.23	—	—	—	5.39
Advisor Class: APDUX	0.07	0.96	3.16	10.23	—	—	—	5.46
Credit Suisse Leveraged Loan Index	0.27	1.86	4.44	11.04	—	—	—	6.46

Source: Artisan Partners/Credit Suisse. Returns for periods less than one year are not annualized.

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. The performance information shown does not reflect the deduction of a 2% redemption fee on shares held by an investor for 90 days or less and, if reflected, the fee would reduce the performance quoted.

Ratings Distribution (%)

BBB	1.3
BB	9.5
B	70.2
CCC and Below	12.1
Unrated	6.9
TOTAL	100.0%

Source: Artisan Partners.

Sector Diversification (% of portfolio securities)

Automotive	0.0
Banking	0.0
Basic Industry	2.2
Capital Goods	4.5
Consumer Goods	5.3
Energy	0.0
Financial Services	9.1
Health Care	5.1
Insurance	21.3
Leisure	6.4
Media	4.0
Real Estate	3.0
Retail	8.4
Services	8.9
Technology & Electronics	17.6
Telecommunications	4.3
Transportation	0.0
Utility	0.0
Other	0.0
TOTAL	100.0%

Source: Artisan Partners/ICE BofA. Cash and cash equivalents represented 7.3% of the total portfolio. Sector categorizations for portfolio securities are based on ICE BofA classifications and are subject to reclassification at the investment team's discretion.

Region/Country Allocation (% of portfolio securities)

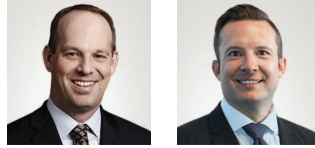
REGION	
AMERICAS	95.7
United States	94.3
Canada	1.4
EUROPE	2.9
PACIFIC BASIN	1.4
TOTAL	100.0%

Source: Artisan Partners. Breakdown based on issuer country of domicile, excluding cash.

Portfolio Construction

A high-conviction portfolio comprised primarily of floating rate debt instruments that are attractively valued. At least 80% will be invested in floating rate leveraged loans, which could include, among other types of loans, senior secured loans, unsecured loans, second lien loans, bridge loans and junior loans. The portfolio has a bias toward US issuers but has the ability to invest globally. It also has flexibility to invest across the quality spectrum, in various industries and issuance sizes.

Team Leadership (Pictured left to right)



Portfolio Managers	Years of Investment Experience
Bryan C. Krug, CFA (Lead)	24
Seth B. Yeager, CFA	20

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. 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 income 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. The portfolio typically invests a significant portion of its assets in lower-rated high income securities (e.g., CCC). Loans carry risks including insolvency of the borrower, lending bank or other intermediary. Loans may be secured, unsecured, or not fully collateralized, trade infrequently, experience delayed settlement, and be subject to resale restrictions. Private placement and restricted securities may not be easily sold due to resale restrictions and are more difficult to value. Use of derivatives may create investment leverage and increase the likelihood of volatility and risk of loss in excess of the amount invested. 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.

Credit Suisse (CS) Leveraged Loan Index is an unmanaged market value-weighted index designed to mirror the investable universe of the US dollar-denominated leveraged loan market. New issues are added to the index on their effective date if they qualify according to the following criteria: loan facilities must be rated "BB" or lower; only fully funded term loan facilities are included; and issuers must be domiciled in developed countries. The index(es) are unmanaged; include net reinvested dividends; do not reflect fees or expenses; and are not available for direct investment.

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. Securities named in the Commentary, but not listed as a Top Ten Holding or not listed here are not held in the Fund as of the date of this report. The portfolio managers' views and portfolio holdings are subject to change and the Fund disclaims any obligation to advise investors of such changes.

All information in this report includes all classes of shares, except performance and expense ratio information and as otherwise indicated, and is as of the date shown in the upper right hand corner unless otherwise indicated. Portfolio statistics calculations exclude outlier data and certain securities which lack applicable attributes, such as private securities. Artisan Partners may substitute information from a related security if unavailable for a particular security. Portfolio statistics include accrued interest unless otherwise stated and may vary from the official books and records of the Fund. Totals may not sum due to rounding.

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.

30-Day SEC Yield is based on a formula specified by the SEC that calculates a fund's hypothetical annualized income, as a percentage of its assets. The unsubsidized yield excludes the effect of fee waivers. This hypothetical yield will differ from the fund's actual experience and as a result, income distributions from the fund may be higher or lower. **Credit Quality** ratings are from S&P and/or Moody's. Ratings typically range from AAA (highest) to D (lowest) and are subject to change. The ratings apply to underlying holdings of the portfolio and not the portfolio itself. If securities are rated by both agencies, the higher rating was used. Securities not rated by S&P or Moody's are categorized as Unrated/Not Rated. **Discount margin (DM)** is the average expected return of a floating-rate security that's earned in addition to the index underlying, or reference rate of, the security. **Par-weighted Default Rate** represents the total dollar volume of defaulted securities compared to the total face amount of securities outstanding that could have defaulted.

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