

Artisan Floating Rate Fund

MONTHLY Commentary

Investor Class: ARTUX | Advisor Class: APDUX

As of 31 October 2024

Commentary

Our portfolio underperformed the Credit Suisse Leveraged Loan Index during the month. By asset type, security selection within loans was the largest detractor, slightly offset by positive contributions from our secured bond allocation. From a sector perspective, the portfolio benefited from positive security selection within retail while our exposure in leisure detracted from returns.

After an impressive employment report in early October and a consumer price index reading above expectations, market participants reassessed both the pace and magnitude of upcoming Federal Reserve rate cuts. The end result was a significant shift upward in Treasury yields during the month, particularly in the intermediate segment of the curve. After reaching a low of 3.6% immediately prior to the Fed's September meeting, the 10-year Treasury yield has risen nearly 70bps since, ending the month of October at 4.3% and erasing nearly all of its yield decline since June. With market participants facing an uncertain presidential election and renewed concerns about inflation reigniting from a resilient economy, it is not unreasonable to believe that rate volatility will continue to impact investors in the upcoming months.

To that end, the month of October serves as a great reminder of the potential value of leveraged loans as part of a diversified portfolio. While rate volatility weighed on fixed rate assets, leveraged loans (as measured by the Credit Suisse Leveraged Loan Index) posted a gain of 0.8% during the month, led by the B-rated segment which returned nearly 1.0%. With October's performance, the loan market has now outpaced the high yield bond market (as measured by the ICE BofA US High Yield Index) year-to-date; through October, leveraged loans have returned 7.5% while high yield bonds have gained 7.4%. As rate volatility continues, investors in leveraged loans may benefit from reduced mark-to-market risk in floating rate instruments as well as the potential for coupons remaining elevated from higher terminal base rates.

By the end of October, the average price for the loan index rose to 96.1. When put into context, this represents a significant increase from the recent cycle low in September 2022 of 91.6. The strength of the loan market is well reflected in the volume of loans priced at distressed levels (below \$80) reaching a 26-month low at the end of October. However, we would note that default recoveries in the loan market continue to be weak, with market estimates of approximately 40% average recoveries on first-lien loan defaults in the last 12 months (roughly 20% below long-term averages). In our view, active management in leveraged loans has never been more important as investors contend with muted recoveries and a rise in liability management exercises; we believe "alpha by avoidance" is necessary to achieve attractive returns in today's market.

As the economy continues to perform well in aggregate, leveraged loan investors have benefited from attractive total returns so far in 2024. While spreads continue to tighten, we retain our belief that vigilance and discipline are of utmost importance. Our portfolio remains focused and high conviction as we search for selective ways to add risk in idiosyncratic situations offering above-market coupons or priced at attractive discounts to par.

Portfolio Details

	ARTUX	APDUX
Net Asset Value (NAV)	\$9.58	\$9.57
Inception	1 Dec 2021	1 Dec 2021
30-Day SEC Yield (%)*	7.90/8.37	8.19/8.51
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	89
Number of Issuers	71

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

Delta Topco Inc	6.5
Nexus Buyer LLC	4.3
Edelman Financial Engines Center LLC	3.5
TKC Holdings Inc	3.3
Ultimate Software Group Inc	3.2
Applied Systems Inc	2.5
Fogo De Chao Inc	2.3
Surgery Center Holdings Inc	2.2
BroadStreet Partners Inc	2.1
Traeger Grills	2.1
TOTAL	32.0%

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 October 2024	Average Annual Total Returns							Inception
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	
Investor Class: ARTUX	0.53	0.53	6.04	8.64	—	—	—	5.73
Advisor Class: APDUX	0.54	0.54	6.03	8.65	—	—	—	5.81
Credit Suisse Leveraged Loan Index	0.85	0.85	7.51	10.55	—	—	—	6.75

As of 30 September 2024								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	0.99	2.20	5.48	8.09	—	—	—	5.71
Advisor Class: APDUX	0.89	2.23	5.46	8.09	—	—	—	5.78
Credit Suisse Leveraged Loan Index	0.73	2.08	6.61	9.65	—	—	—	6.64

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	0.5
BB	10.8
B	67.5
CCC and Below	14.8
Unrated	6.4
TOTAL	100.0%

Source: Artisan Partners.

Sector Diversification (% of portfolio securities)

Automotive	0.0
Banking	0.0
Basic Industry	2.4
Capital Goods	1.5
Consumer Goods	5.4
Energy	0.0
Financial Services	10.6
Health Care	4.5
Insurance	20.2
Leisure	5.6
Media	2.9
Real Estate	3.4
Retail	8.8
Services	10.2
Technology & Electronics	18.0
Telecommunications	5.1
Transportation	1.5
Utility	0.0
Other	0.0
TOTAL	100.0%

Source: Artisan Partners/ICE BofA. Cash and cash equivalents represented 8.4% 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)

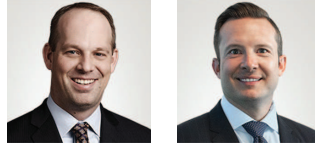
REGION	
AMERICAS	96.4
United States	94.1
Canada	1.5
Cayman Islands	0.8
EUROPE	2.1
PACIFIC BASIN	1.5
TOTAL	100.0%

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	21

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. ICE BofA US High Yield Index measures the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US market. 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.

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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.

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