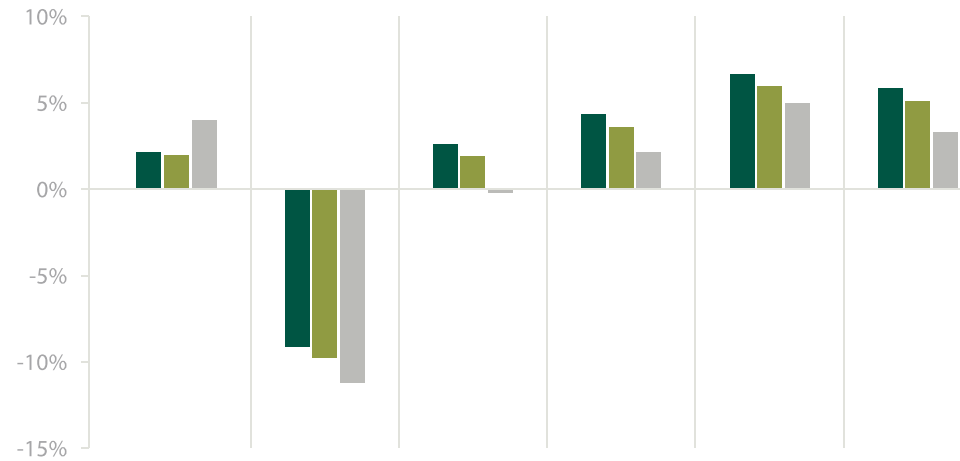


Q4 2022

Artisan Partners Credit Team  
Investor Update

For Institutional Investors Only – Not for Onward Distribution

## Investment Results—Average Annual Total Returns (USD)



(%) as of 31 Dec 2022

	QTD	1 Yr	3 Yr	5 Yr	7 Yr	Inception
■ Artisan High Income Composite: Gross	2.14	-9.15	2.62	4.31	6.66	5.83
■ Artisan High Income Composite: Net	1.97	-9.76	1.93	3.60	5.93	5.10
■ ICE BofA US High Yield Master II Index	3.98	-11.22	-0.23	2.12	4.95	3.32

Source: Artisan Partners/ICE BofA. Past performance does not guarantee and is not a reliable indicator of future results. Gross- and net-of-fees performance shown for the Composite. Current performance may be lower or higher than that shown. Unlike the Index, the High Income Strategy may hold loans and other security types. At times, this causes material differences in relative performance. Returns less than one year are not annualized. Composite inception: 1 Apr 2014.

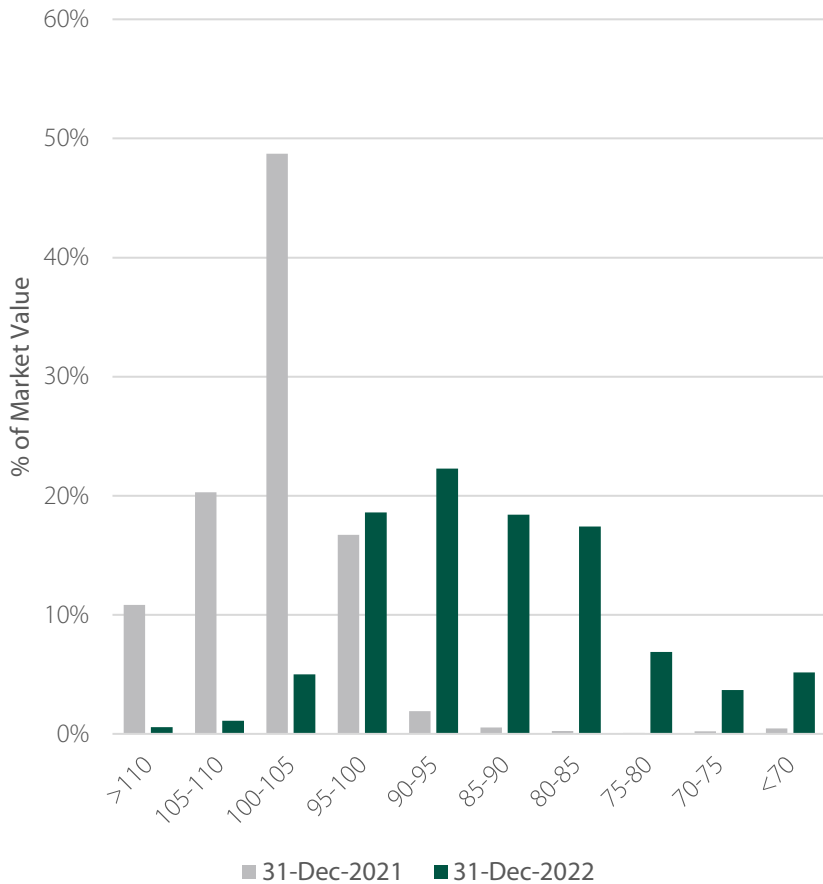
## Corporate Credit Performance—Q4 2022

	Index Averages				Total Returns (%)	
	Price (\$)	Yield (%)	Spread/DM (bps)	Duration (yrs)	QTD	YTD
<b>ICE BofA US High Yield Index</b>	<b>85.88</b>	<b>9.0</b>	<b>491</b>	<b>4.0</b>	<b>3.98</b>	<b>-11.22</b>
BB Index	89.25	7.3	320	4.4	4.33	-10.57
B Index	87.04	9.3	526	3.7	4.33	-10.58
CCC Index	70.05	15.7	1,159	3.4	1.12	-16.32
Distressed Index	58.98	20.9	1,684	3.3	-1.29	-27.36
<b>Credit Suisse Leveraged Loan Index</b>	<b>91.89</b>	<b>10.8</b>	<b>652</b>	<b>—</b>	<b>2.33</b>	<b>-1.06</b>
BB Index	97.64	7.9	363	—	3.63	2.70
B Index	92.25	11.2	691	—	2.41	-1.33
CCC Index	74.35	20.3	1,605	—	-2.85	-13.26
First Lien Index	92.40	10.5	636	—	2.53	-0.77
Second Lien Index	77.20	19.6	1,536	—	-3.85	-9.75

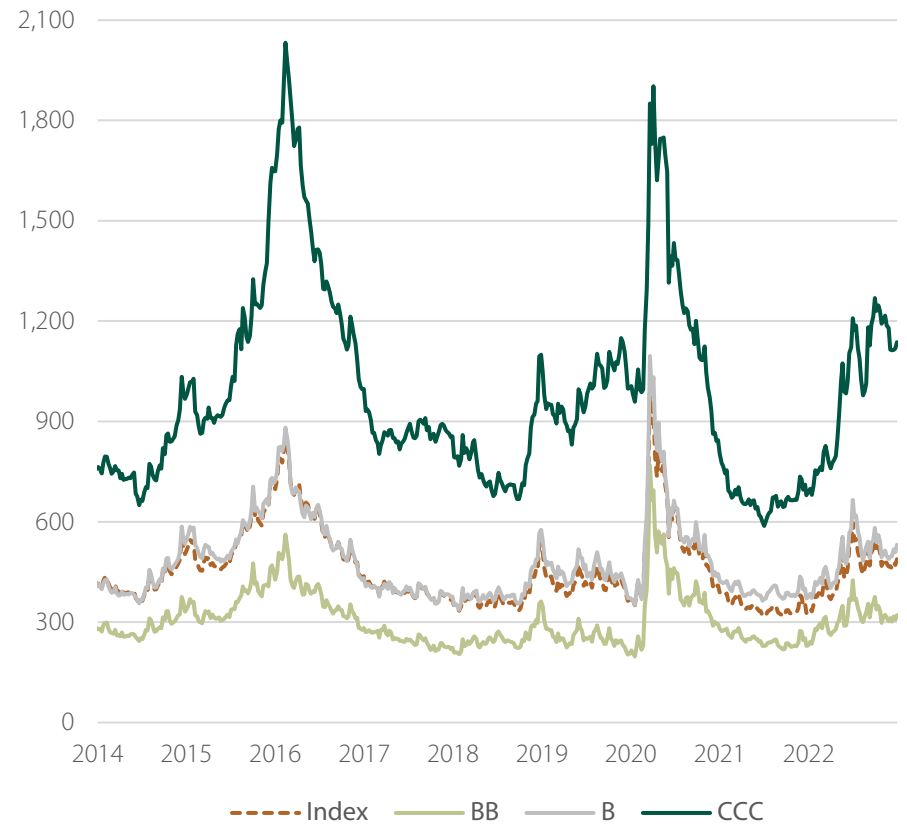
Source: ICE BofA/Credit Suisse. As of 31 Dec 2022. **Past performance is not a reliable indicator of future results.** Leveraged loan discount margin (DM) and yield analytics are to a 3-year takeout. High yield bond spreads and yields are to worst. High yield indices—BB Index: ICE BofA BB US High Yield Index; B Index: ICE BofA B US High Yield Index, CCC Index: ICE BofA CCC US High Yield Index; Distressed Index: ICE BofA Distressed index. Leveraged loan indices—BB Index: Credit Suisse BB Leveraged Loan Index; B Index: Credit Suisse B Leveraged Loan Index; CCC Index: Credit Suisse CCC Leveraged Loan Index, First Lien Index: Credit Suisse First Lien Leveraged Loan Index. Second Lien Index: Credit Suisse Second Lien Leveraged Loan Index.

# High Yield Dispersion

ICE BofA US High Yield Index: Price Distribution



ICE BofA US High Yield Index: Credit Spreads



Source: ICE BofA. As of 31 Dec 2022. Price distribution and credit spreads based on constituents in the ICE BofA US High Yield Index.

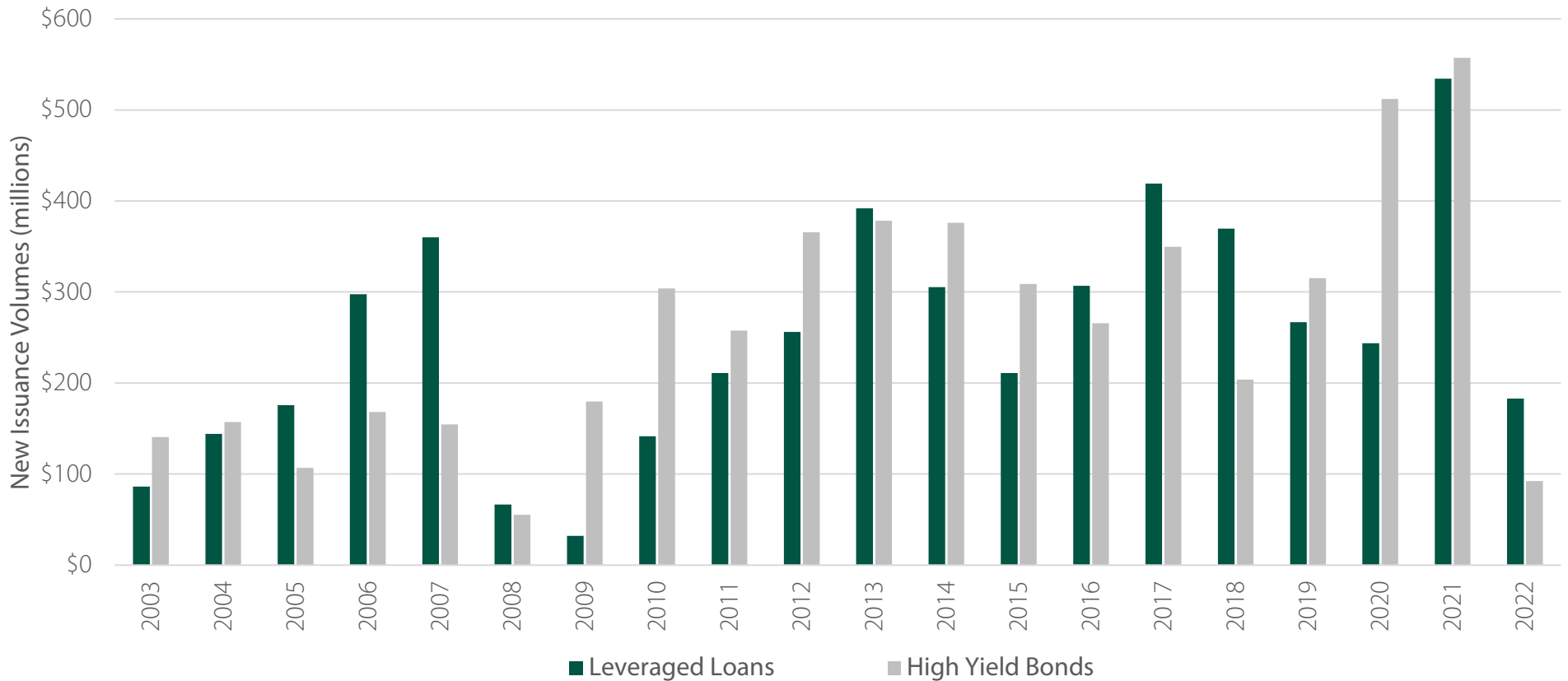
## Trailing 12-Month Par-Weighted Default Rate



Source: ICE BofA/JPMorgan. As of 31 Dec 2022. Default rate based on constituents in the ICE BofA US High Yield Index (High Yield Bonds) and JPMorgan Leveraged Loan Index (Leveraged Loans).

## New Issuance Volumes

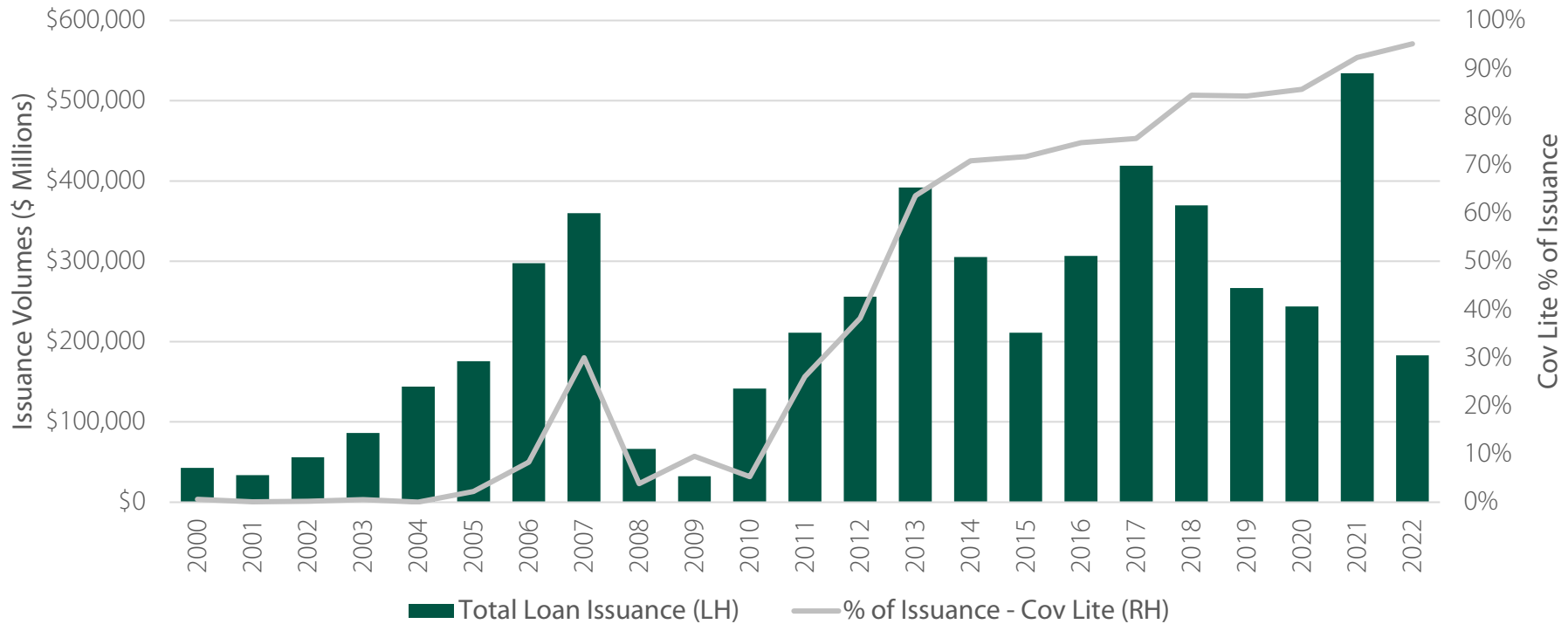
Record new issuance in '20 and '21 has allowed companies to refinance debt with lower borrowing costs and longer maturities



Source: ICE BofA/S&P LCD. As of 31 Dec 2022.

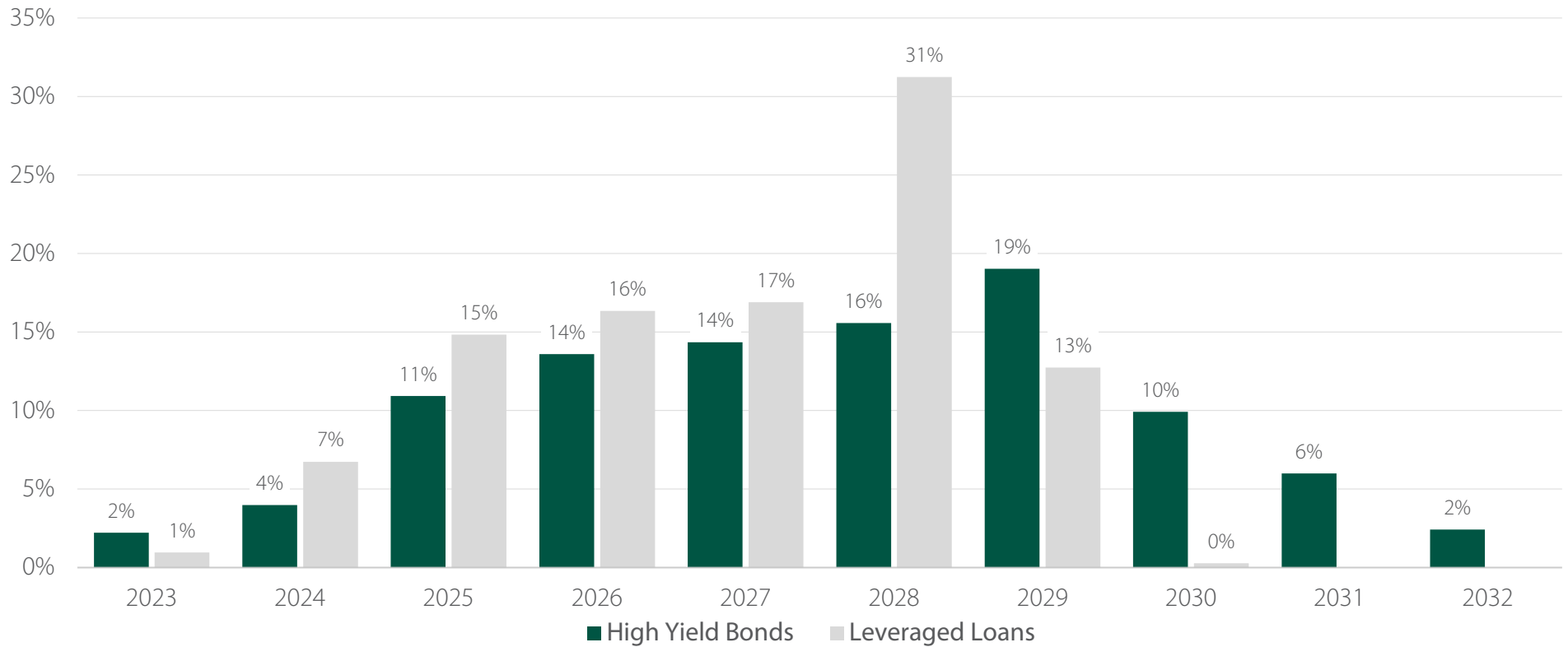
## Leveraged Loan New Issuance Volume and Cov-Lite %

The significant growth in the issuance of “cov-lite” loans has also reduced default risk



Source: ICE BofA/S&P LCD. As of 31 Dec 2022.

## % of Market Maturing By Year

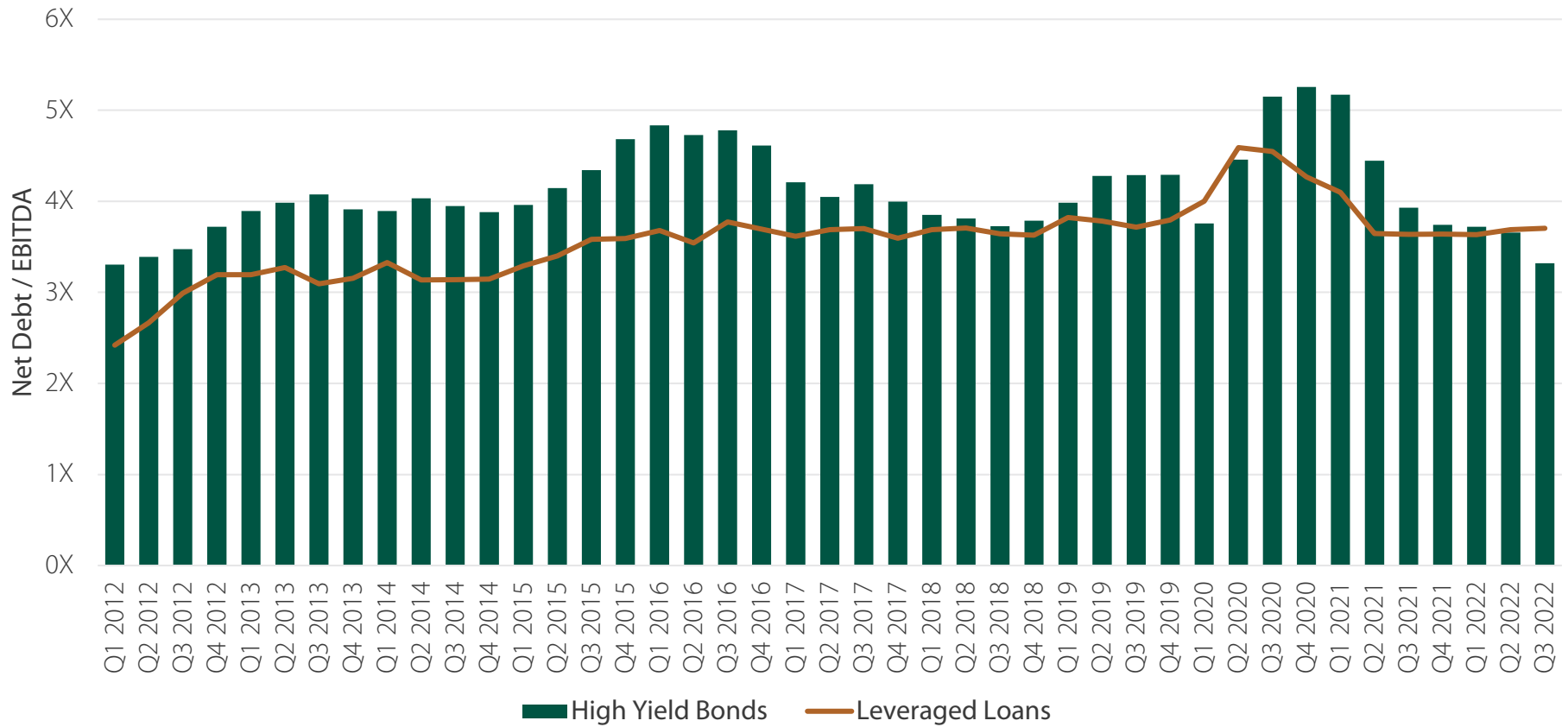


Source: ICE BofA/S&P LCD/Morningstar. As of 31 Dec 2022. Percentage as a total of the face value of the market. Based on constituents in the ICE BofA US High Yield Index (high yield bonds) and Morningstar LSTA Leveraged Loan Index (leveraged loans).



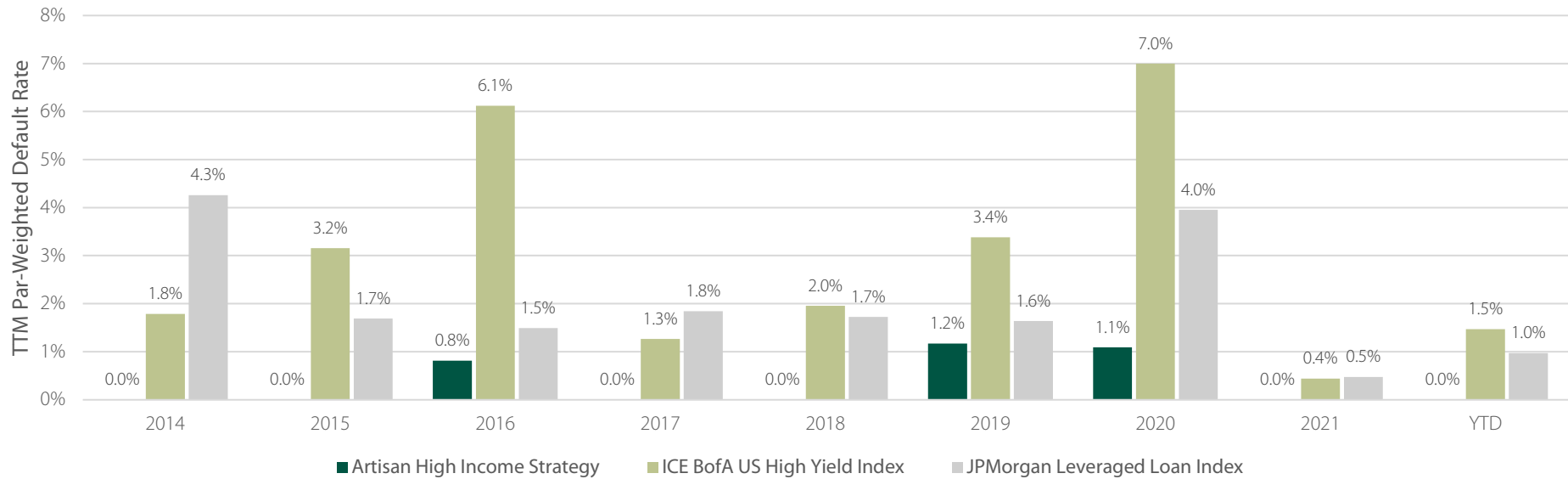
# Credit Fundamentals

## Net Leverage Levels



Source: ICE BofA/S&P/Morningstar. As of 30 Sep 2022. Based on constituents in the ICE BofA US High Yield Index (high yield bonds) and Morningstar LSTA Leveraged Loan Index (leveraged loans).

## Par-Weighted Historical Default Rates



Calendar Year	2014	2015	2016	2017	2018	2019	2020	2021	2022
Artisan High Income Strategy	0.00%	0.00%	0.81%	0.00%	0.00%	1.17%	1.04%	0.00%	0.00%
ICE BofA US High Yield Index	1.79%	3.16%	6.12%	1.27%	1.96%	3.38%	7.00%	0.44%	1.47%
JPMorgan Leveraged Loan Index	4.26%	1.69%	1.49%	1.84%	1.72%	1.64%	3.95%	0.48%	0.97%

Source: Artisan Partners/ICE BofA/JPMorgan. As of 31 Dec 2022. Based on the par amount of bonds or loans defaulted as a percentage of the total market face value over the trailing 12-month period. Defaults include missed interest payments and bankruptcy filings.

## Portfolio Positioning (USD)

### Portfolio Composition

(% of total portfolio)

Corporate Bonds	77.4
Bank Loans	14.8
Equities	0.4
Cash and Cash Equivalents	7.4
<b>Total</b>	<b>100.0%</b>

### Maturity Distribution

(% of fixed income securities)

Less than 1 year	0.0
1 - <3 years	6.9
3 - <5 years	23.9
5 - <7 years	49.5
7 - <10 years	17.6
10+ years	2.1
<b>Total</b>	<b>100.0%</b>

### Ratings Distribution<sup>1</sup>

(% of fixed income securities)

BBB	3.3
BB	18.6
B	49.6
CCC	25.7
Unrated	2.8
<b>Total</b>	<b>100.0%</b>

### Region/Country Allocation

(% of portfolio securities)

Americas	85.7
United States	80.6
Canada	4.8
Bermuda	0.3
Europe	14.3
<b>Total</b>	<b>100.0%</b>

### Currency Exposure<sup>2</sup>

(% of total portfolio)

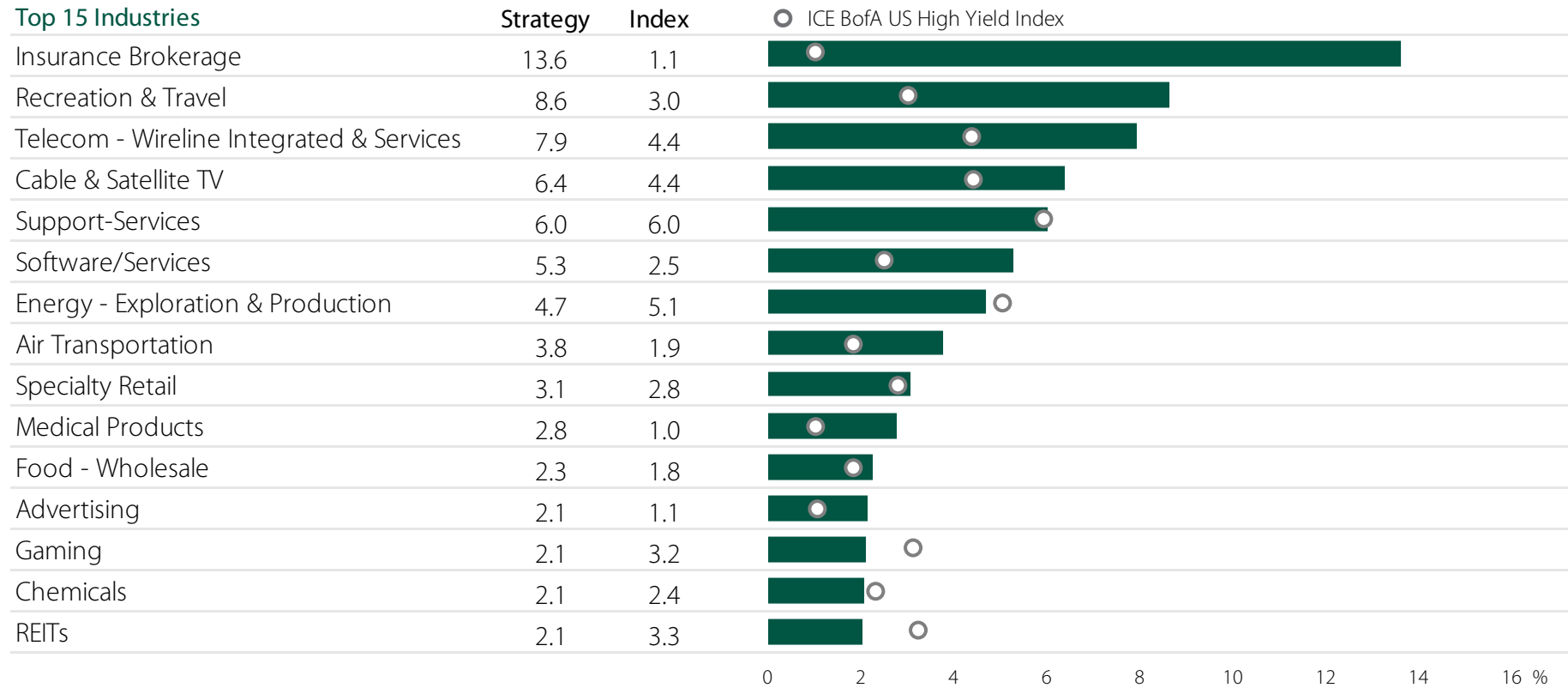
US Dollar	100.0
<b>Total</b>	<b>100.0%</b>

### Portfolio Statistics

Number of Holdings	198
Number of Issuers	120
Duration	3.3 years
Average Maturity	5.4 years

Source: Artisan Partners/Bloomberg. As of 31 Dec 2022. Based on a representative portfolio. Negative cash weightings and portfolio composition greater than 100% may be due to unsettled transactions or investment in derivative instruments. Unless otherwise noted, portfolio statistics represent the weighted average of the portfolio's fixed income securities and exclude cash and cash equivalents. Region/Country Allocation is based on issuer country of domicile, excluding cash. Duration and average maturity include the effect of Treasury futures. The investment team may hedge a portion of duration risk with Treasury futures. Treasury futures represented net notional exposure of 0.00% of net assets. <sup>1</sup>Source: S&P/Moody's. <sup>2</sup>Depicts currency of the underlying securities in the portfolio and does not depict currency risk. The investment team typically hedges a portion of non-USD currency exposure.

## Portfolio Positioning



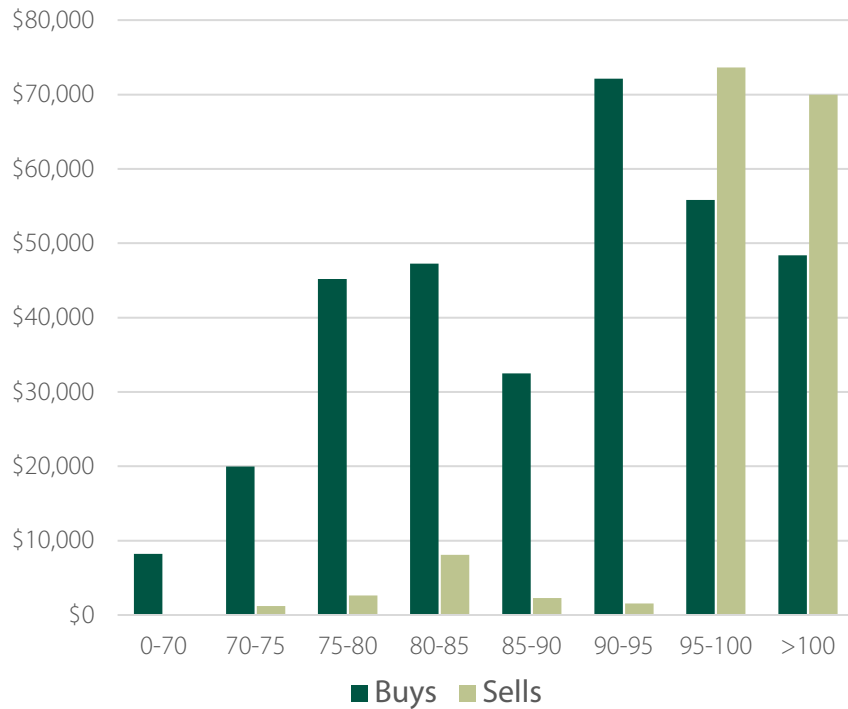
Source: Artisan Partners/ICE BofA. As of 31 Dec 2022. Industries are determined based on ICE BofA categorization and subject to manager classification. Industry weights are represented as a % of the total representative portfolio, excluding cash and cash equivalents. Cash and cash equivalents represented 7.4% of the total representative portfolio as of 31 Dec 2022.

# Artisan High Income Q4 Trade Activity

Summary by Cumulative Trade Amount (\$)

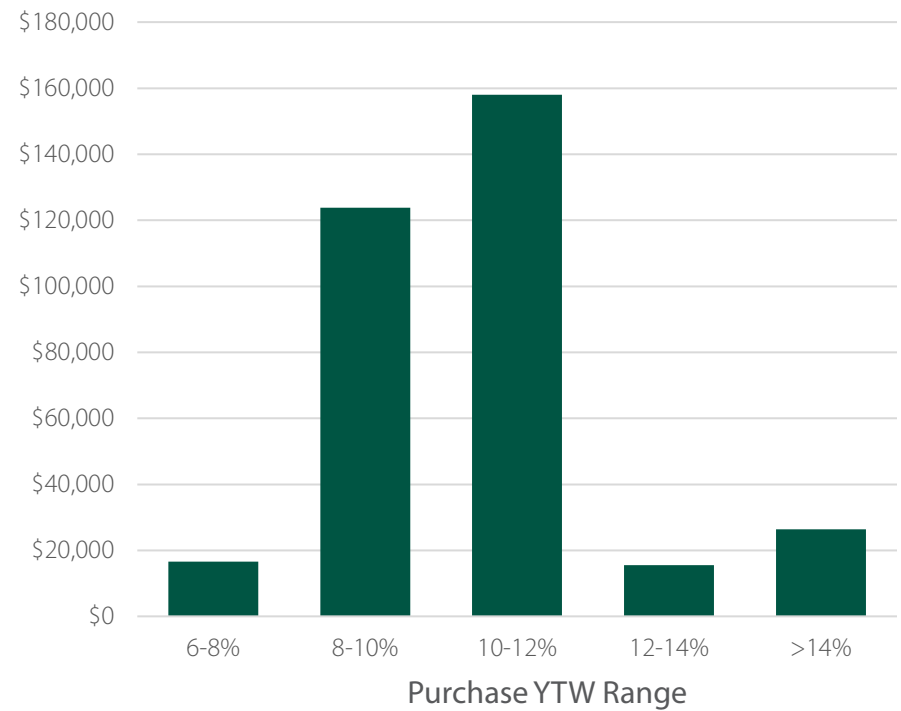
## Q4 Trade Activity by Price

Cumulative Trade Amount (\$, Thousands)



## New Buys by Yield to Worst

Cumulative Trade Amount (\$, Thousands)



Source: Artisan Partners. As of 31 Dec 2022.

# Capturing Returns in Excess of Yield Through Convexity

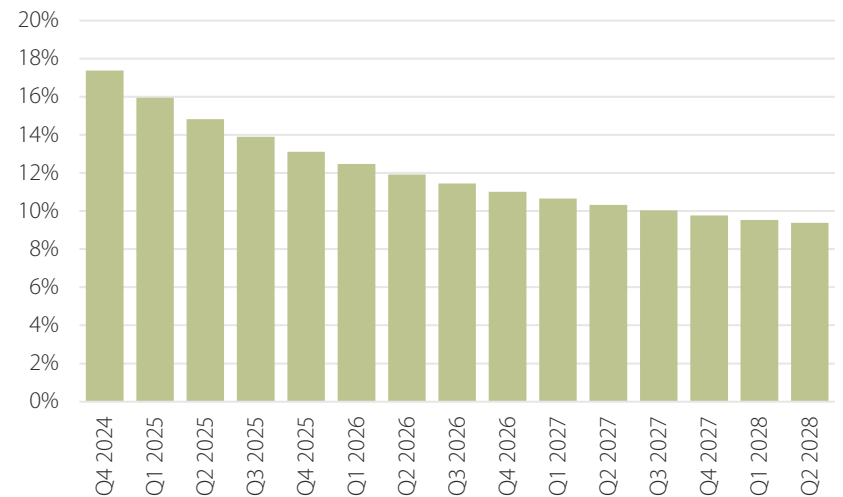
## Hypothetical Capital Structure

	Price	Coupon	Maturity	Amt (\$mm)
Revolver			4 Dec 2025	—
Term Loan B			5 Dec 2027	1,950
<b>Secured Bonds</b>	<b>78.57</b>	<b>4.25%</b>	<b>1 Jun 2028</b>	<b>950</b>
Unsecured Bonds			1 Dec 2028	500
<b>Total Capitalization</b>				<b>3,400</b>

## Potential Return Outcomes

Secured Bonds	Date	Yield
Yield to Maturity	1 Jun 2028	9.22%
Yield to Expected Refinancing	1 Dec 2025	13.07%

## Annualized Yields: Hypothetical Refinancing Dates

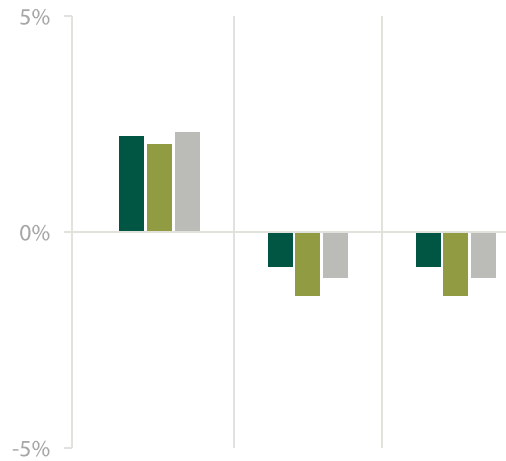


Source: Artisan Partners. Illustration are provided for informational purposes only and are subject to change.



Artisan Floating Rate Fund  
Portfolio Positioning and Investment Results

## Investment Results—Average Annual Total Returns (USD)



(%) as of 31 Dec 2022

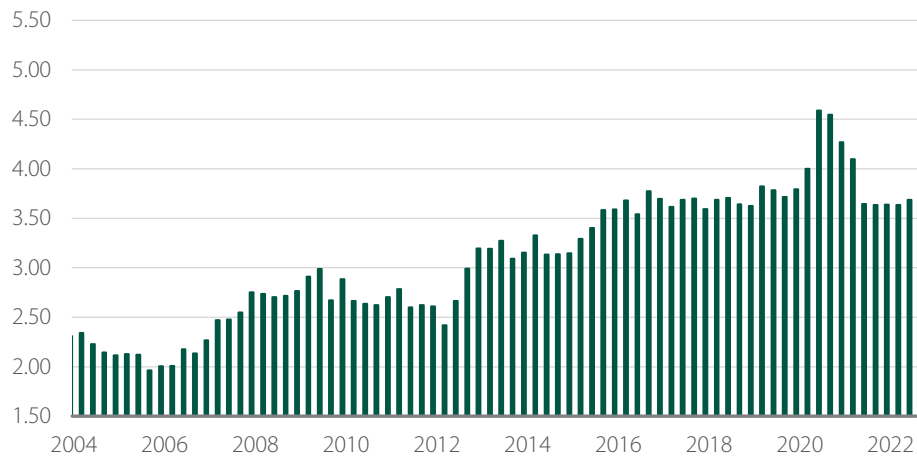
	QTD	1 Yr	Inception
■ Artisan Floating Rate Composite: Gross	2.23	-0.80	-0.80
■ Artisan Floating Rate Composite: Net	2.05	-1.48	-1.48
■ Credit Suisse Leveraged Loan Index	2.33	-1.06	-1.06

Source: Artisan Partners/Credit Suisse. Past performance does not guarantee and is not a reliable indicator of future results. Gross- and net-of-fees performance shown for the Composite. Current performance may be lower or higher than that shown. Returns less than one year are not annualized. Composite inception: 1 Jan 2022.

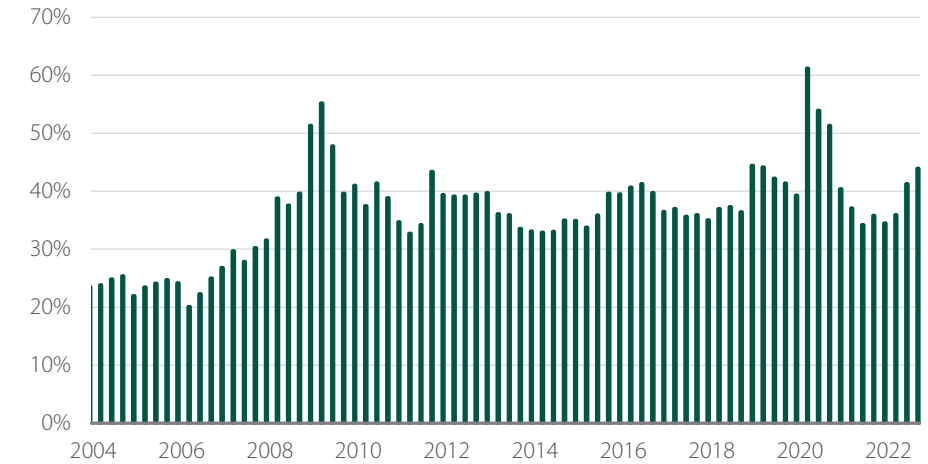


# Leveraged Loan Fundamentals

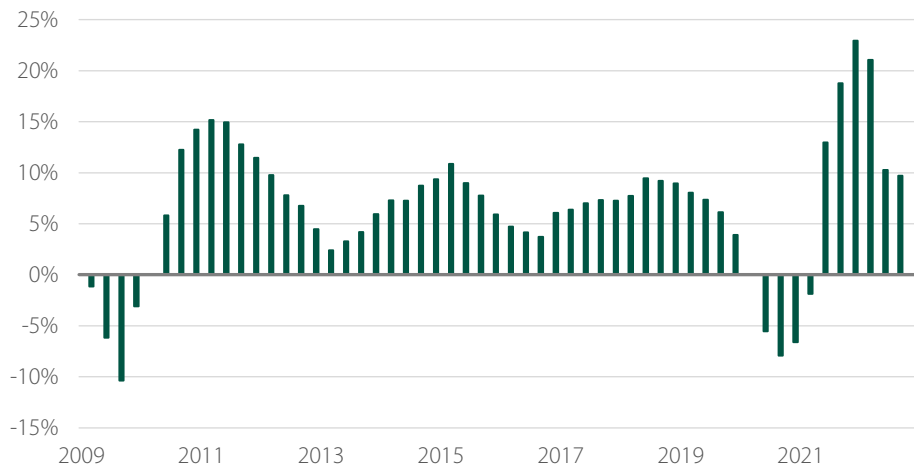
Net Leverage (X)



Debt-to-Enterprise Value



YoY EBITDA Growth



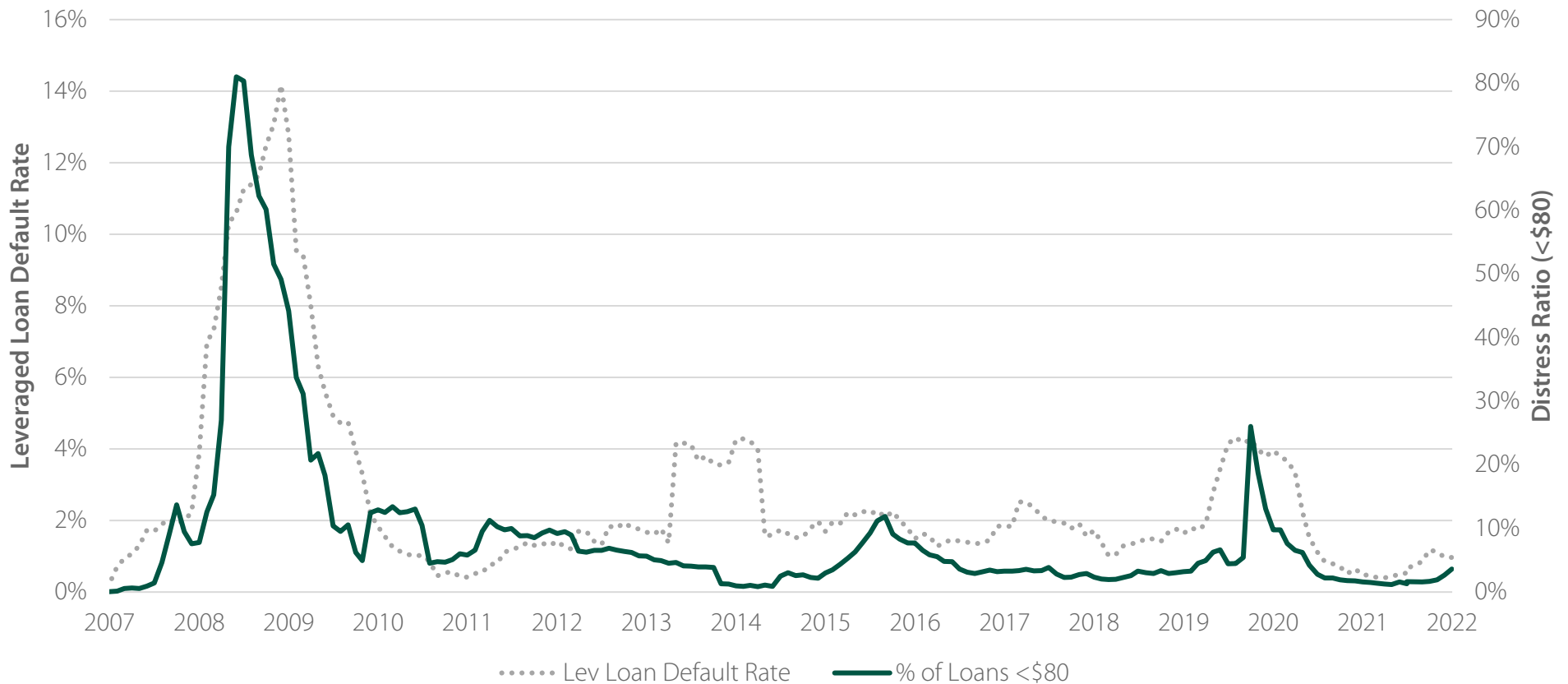
Par-Weighted Default Rate



Source: Artisan Partners/Bloomberg/Morgan Stanley/JPMorgan. As of 30 Sep 2022. Based on constituents in the Morningstar LSTA Leveraged Loan Index and JPMorgan Leveraged Loan Index (defaults).

# Leveraged Loan Fundamentals

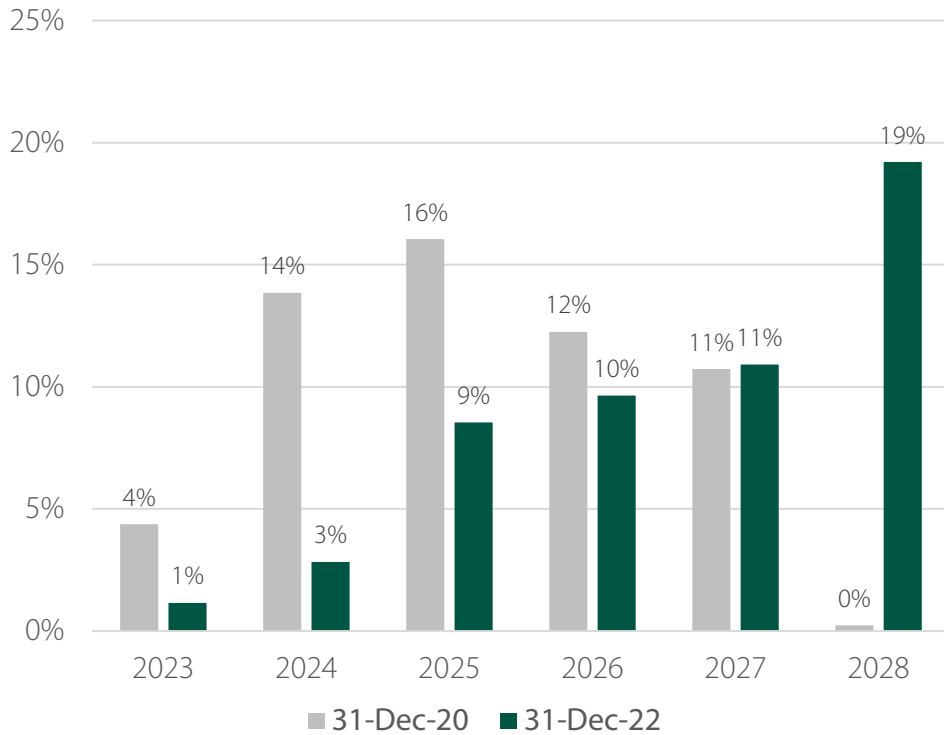
Trailing 12-Month Default Rate vs % Distress (<\$80, 6-Mo Forward)



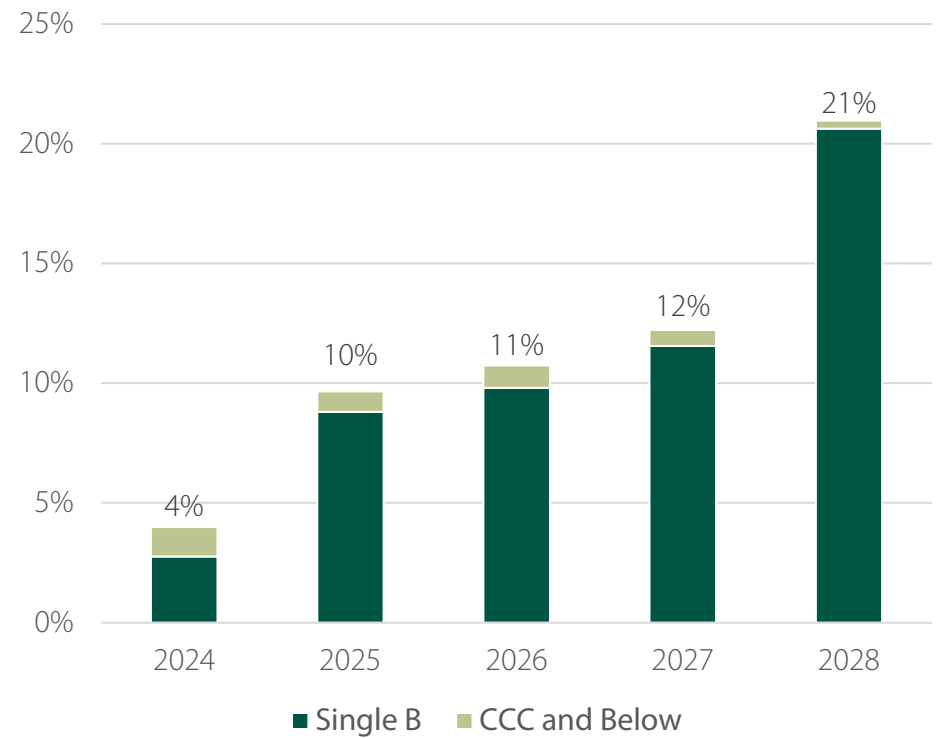
Source: Artisan Partners/JPMorgan. As of 31 Dec 2022. Based on constituents in the JPMorgan Leveraged Loan Index.

# Leveraged Loan Fundamentals

Single B/CCC Loan Maturities: 2021 vs Current



Single B/CCC Maturities (31 Dec 2022)



Source: Artisan Partners/JPMorgan. As of 31 Dec 2022. Based on constituents in the JPMorgan Leveraged Loan Index.

## Illustrating the Impact of Higher Interest Rates

### Hypothetical Capital Structure

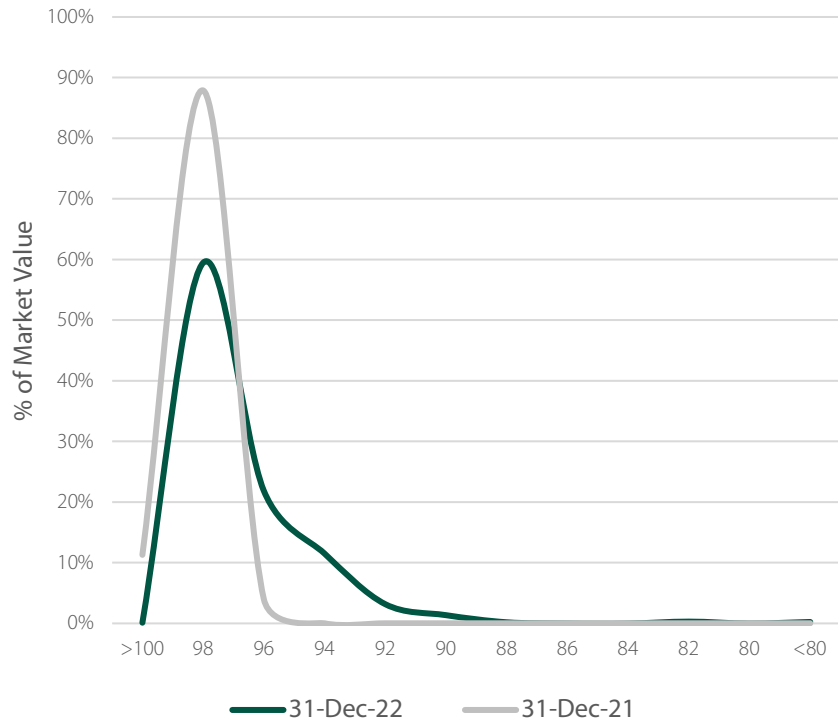
(\$mm)	Amt	Leverage (X)	% Capital	Index Floor	Current Index*	Spread	Floor Coupon	Market Coupon
First lien Revolver	-	3.5	35%	0.00%	4.40%	2.25%	2.250%	6.650%
First lien Term Loan	3,500.0	3.5	35%	0.50%	4.40%	3.25%	3.750%	7.650%
HY Bond	1,500.0	5.0	50%	NA			5.750%	5.750%
<b>Total Debt</b>	<b>5,000.0</b>	<b>5.0</b>	<b>50%</b>				<b>4.350%</b>	<b>7.080%</b>
Equity	5,000.0	5.0	50%					
<b>Total Capitalization</b>	<b>10,000.0</b>	<b>10.0</b>	<b>100%</b>					
<b>Interest coverage</b>								
First lien TL							7.6x	3.7x
Total Debt							4.6x	2.8x

Source: Artisan Partners. Assumes \$1 billion in EBITDA and an index floor based on 1-month Libor. Illustrations are provided for informational purposes only and are subject to change.

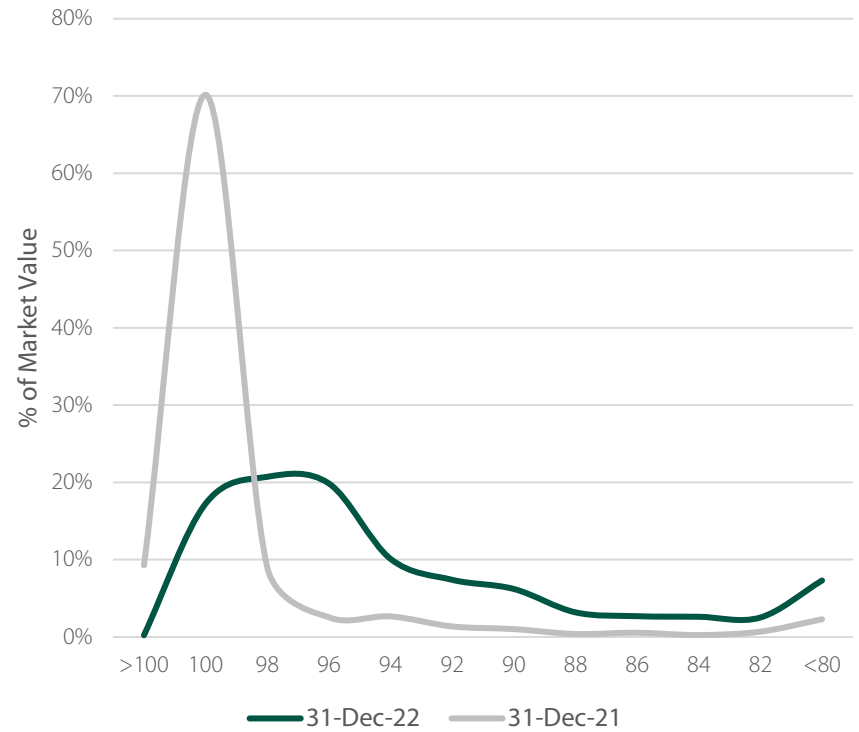
# Measuring Market Dispersion

## Price Distribution by Ratings: Leveraged Loans

Credit Rating: BB



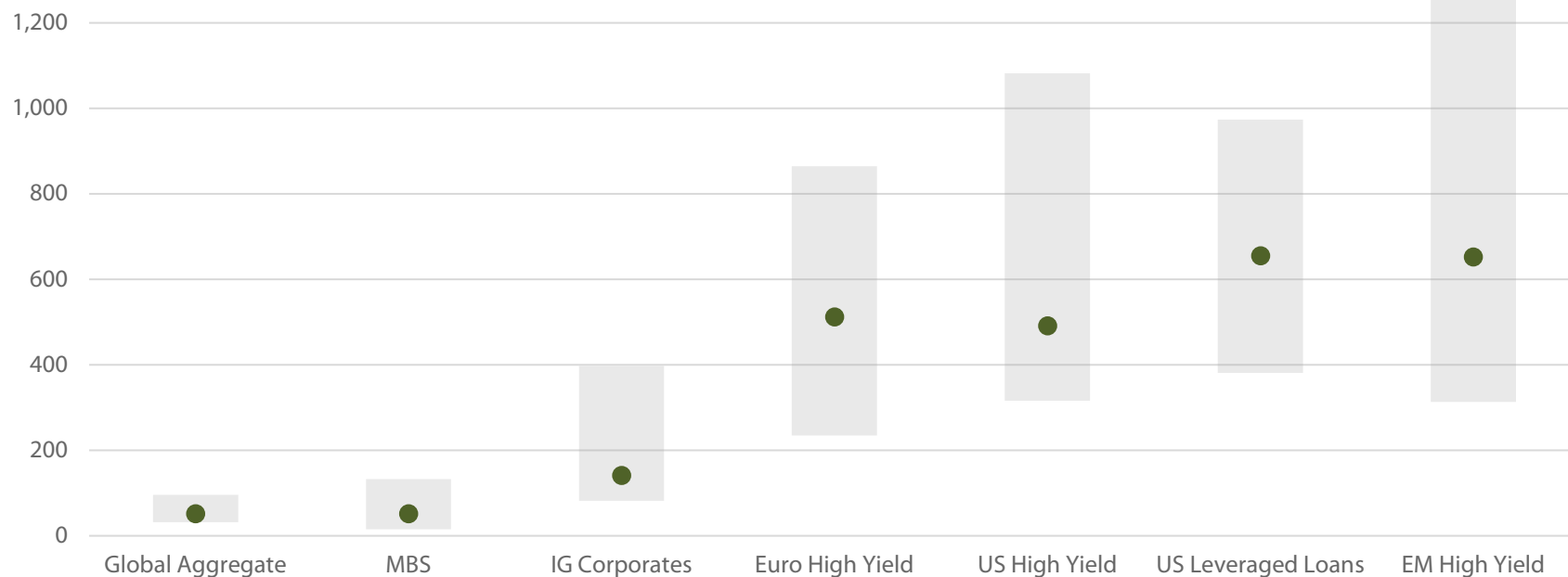
Credit Rating: B and Below



Source: Artisan Partners/JPMorgan. As of 31 Dec 2022. Based on constituents in the JPMorgan Leveraged Loan Index.

# Leveraged Finance Valuations

## Current Spreads vs 10-Year Range



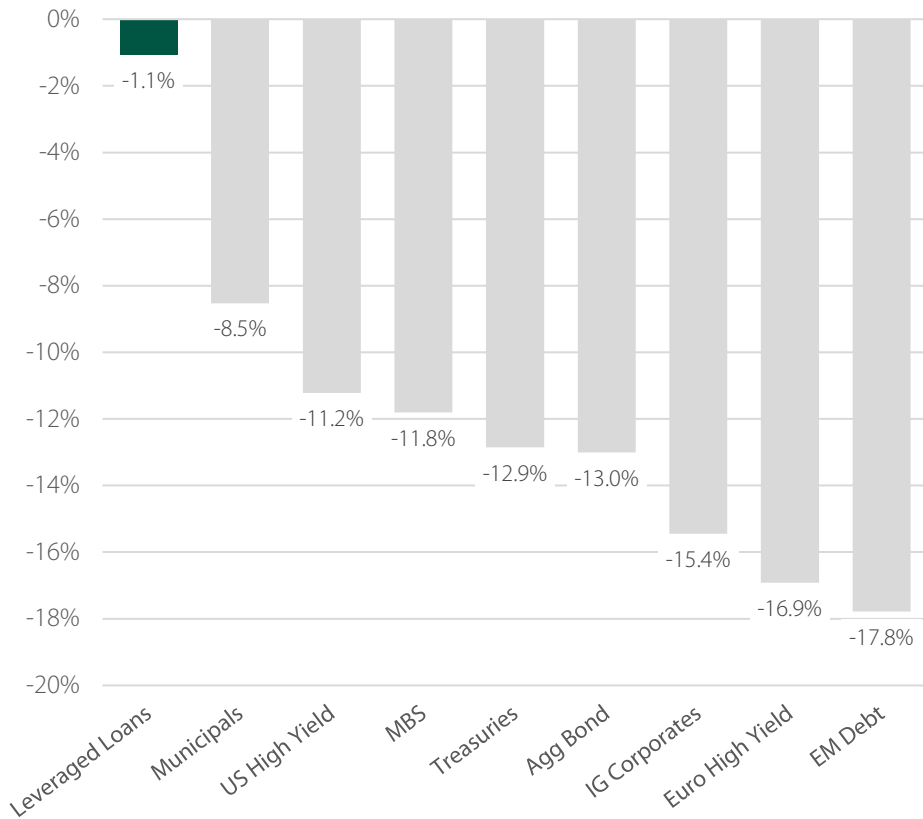
Current Spread (bps)	51	51	141	512	491	655	651
YTD Chg (bps)	+35	+31	+46	+171	+161	+216	+34
YTD Chg (%)	+43%	+64%	+48%	+50%	+48%	+49%	+5%

Source: ICE BofA/Credit Suisse/Bloomberg. As of 31 Dec 2022. Asset classes represented by the following indices: Bloomberg Global Aggregate Index (Global Aggregate); Bloomberg US MBS Index (MBS); ICE BofA US Corporate Index (IG Corporates); ICE BofA Euro High Yield Index (Euro High Yield); ICE BofA US High Yield Index (High Yield); Credit Suisse Leveraged Loan Index (US Leveraged Loans); ICE BofA High Yield Emerging Markets Corporate Index (EM High Yield).

# Leveraged Loan Diversification Benefits

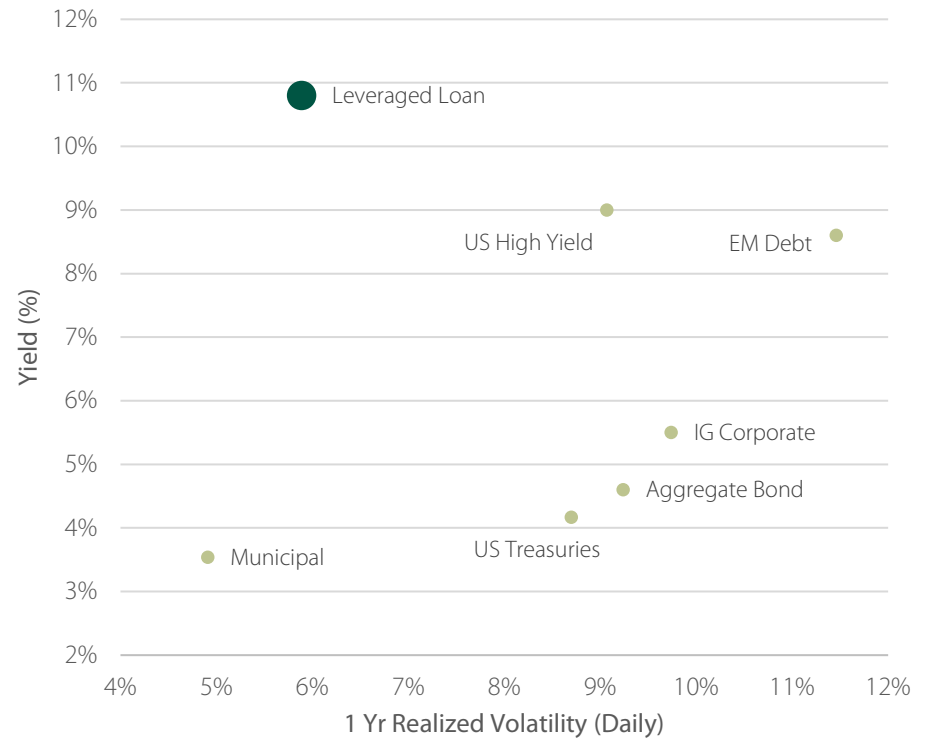
## Leveraged loans were the best performing asset class in 2022

2022 Total Returns



## Leveraged Loans offer a compelling risk/reward

Yield vs Realized Volatility



Source: Artisan Partners/S&P/ICE BofA/Credit Suisse/JPMorgan/Bloomberg. As of 31 Dec 2022. Asset classes represented by the following indices: Bloomberg Aggregate Index (Aggregate Bond); Bloomberg US MBS Index (MBS); ICE BofA US Treasury Index (US Treasuries); Bloomberg Municipal Index (Municipal Bonds); ICE BofA US Corporate Index (IG Corporates); ICE BofA US High Yield Index (US High Yield Bonds); ICE BofA Euro High Yield Index (Euro High Yield); Credit Suisse Leveraged Loan Index (Leveraged Loans); JPMorgan EMBI Global Diversified Index (EM Debt). Past performance is not a reliable indicator of future results.

## Portfolio Positioning (USD)

### Portfolio Composition

(% of total portfolio)

Floating Rate Loans	79.5
Fixed Rate Bonds	5.4
Other Floating Rate Securities	2.2
Fixed Rate Loans	0.3
Cash and Cash Equivalents	12.6
<b>Total</b>	<b>100.0%</b>

### Ratings Distribution<sup>1</sup>

(% of fixed income securities)

BBB	3.0
BB	15.3
B	72.6
CCC	8.8
Unrated	0.3
<b>Total</b>	<b>100.0%</b>

### Region/Country Allocation

(% of portfolio securities)

Americas	96.4
United States	96.4
Europe	3.6
<b>Total</b>	<b>100.0%</b>

### Currency Exposure<sup>2</sup>

(% of total portfolio)

US Dollar	100.0
<b>Total</b>	<b>100.0%</b>

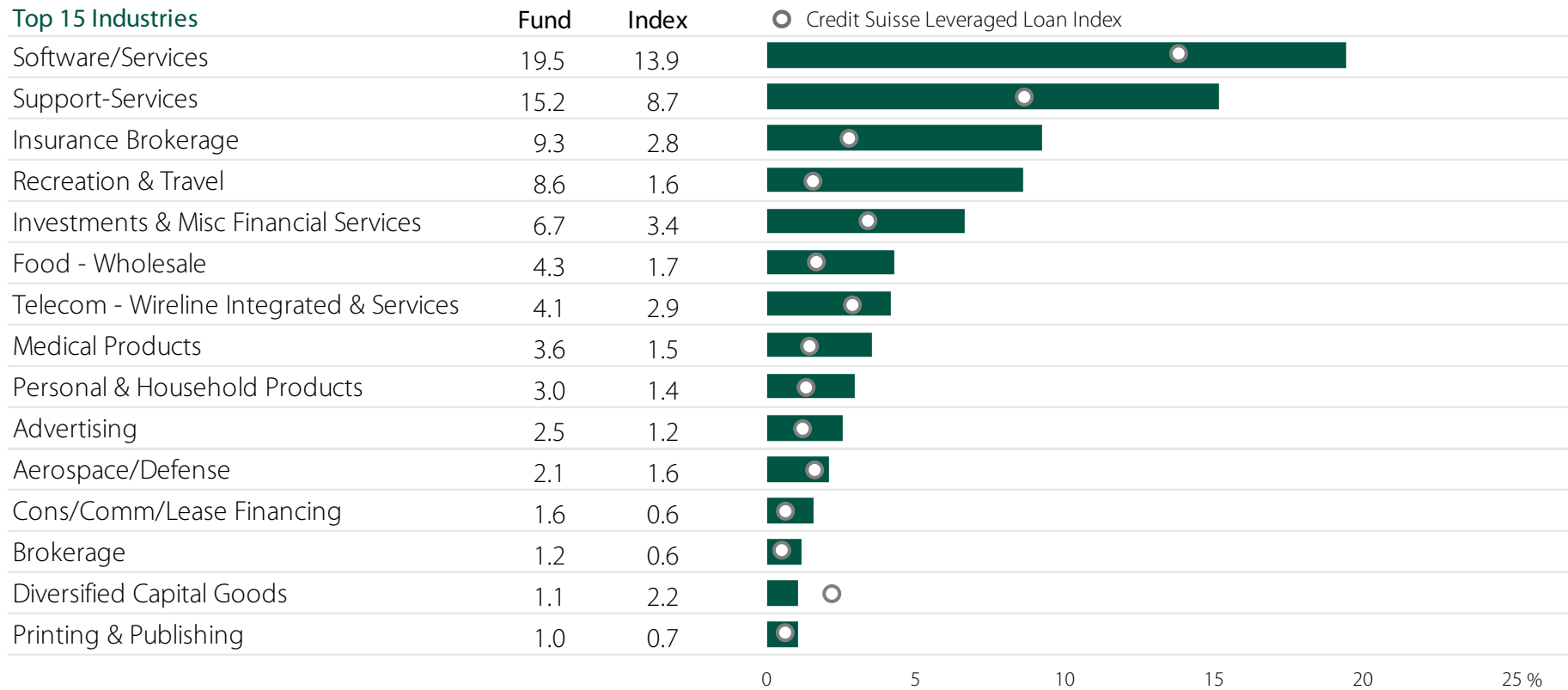
### Portfolio Statistics

Number of Holdings	66
Number of Issuers	52
Duration	0.4 years
Average Maturity	4.2 years

Source: Artisan Partners/FactSet/Bloomberg. As of 31 Dec 2022. Based on a representative portfolio. Negative cash weightings and portfolio composition greater than 100% may be due to unsettled transactions or investment in derivative instruments. Unless otherwise noted, portfolio statistics represent the weighted average of the portfolio's fixed income securities and exclude cash and cash equivalents. Region/Country Allocation is based on issuer country of domicile, excluding cash. <sup>1</sup>Source: S&P/Moody's. <sup>2</sup>Depicts currency of the underlying securities in the portfolio and does not depict currency risk. The investment team typically hedges a portion of non-USD currency exposure. Past performance does not guarantee and is not a reliable indicator of future results.



## Portfolio Positioning

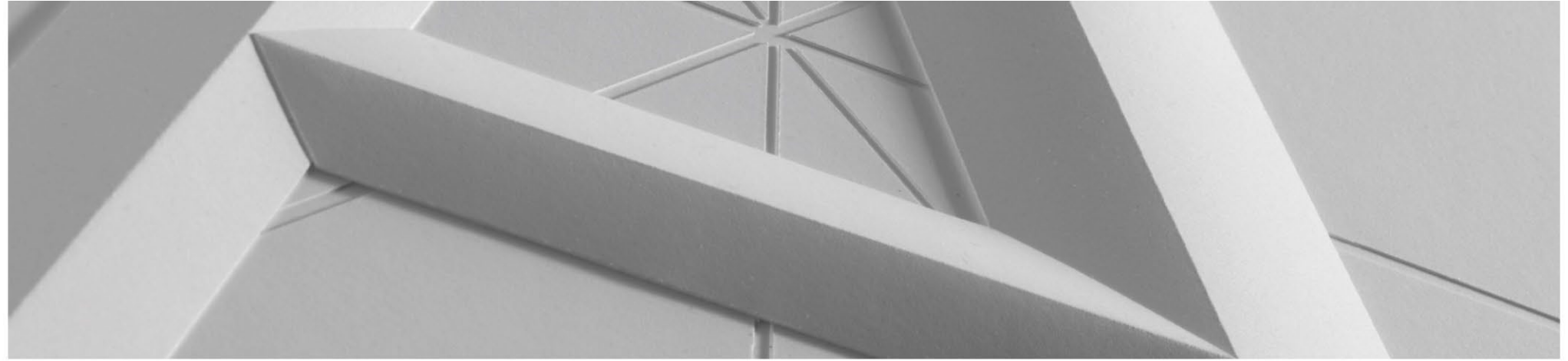


Source: Artisan Partners/ICE BofA. As of 31 Dec 2022. Industries are determined based on Credit Suisse classification and subject to manager classification. Industry weights are represented as a % of the total portfolio.

## Portfolio Positioning

Credit Ratings	Portfolio Exposures (% Wgt)				Credit Suisse Lev Loan Index (% Wgt)	
	31 Mar 2022	30 Jun 2022	30 Sep 2022	31 Dec 2022	31 Dec 2022	Portfolio vs Index*
BBB	2.1	3.7	2.8	3.0	4.7	-1.7
BB	9.8	13.3	15.6	15.3	34.8	-19.5
B	79.3	74.2	70.9	72.6	53.4	19.2
CCC and Below	8.4	8.4	9.2	8.8	4.7	4.1
Not Rated	0.4	0.4	1.5	0.3	2.0	-1.7
<b>Seniority</b>						
First Lien / Secured	83.6	83.4	80.2	78.6	97.2	-18.6
Second Lien	7.0	6.8	6.7	6.5	2.8	3.7
Perpetual	3.1	3.1	2.1	2.2	—	2.2
Cash	6.3	6.7	9.0	12.7	—	12.7
<b>Maturity (Yrs)</b>						
1-3	12.6	26.0	25.5	13.8	21.2	-7.4
3-5	25.6	23.2	24.4	30.2	26.4	3.8
5-7	55.6	44.9	45.1	48.2	42.1	6.1
7-10	2.8	2.6	2.7	5.2	4.5	0.7
Perpetual	3.3	3.3	2.3	2.5	—	2.5

Source: Artisan Partners/Credit Suisse. \*As of 31 Dec 2022. Based on % of total portfolio exposures.



Q&A

# Notes and Disclosures

This section of this presentation contains information important to a complete understanding of the material presented. Please review it carefully.

Artisan Partners Limited Partnership (APLP) is an investment adviser registered with the U.S. Securities and Exchange Commission (SEC). Artisan Partners UK LLP (APUK) is authorized and regulated by the Financial Conduct Authority and is a registered investment adviser with the SEC. APEL Financial Distribution Services Limited (AP Europe) is authorized and regulated by the Central Bank of Ireland. APLP, APUK and AP Europe are collectively, with their parent company and affiliates, referred to as Artisan Partners herein.

Form ADV: Additional information about APLP or APUK, the firms, its partners, ownership, investment strategies, fees and expenses and policies is contained in each firm's respective Form ADV. Each firm will supply a copy of its Form ADV upon request.

## Artisan High Income and Floating Rate Strategy Investment Risks

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. Entering into short sales involves certain risks, including additional costs involved with covering the short sale and losses due to the security's value increasing, which is, theoretically, unlimited. The portfolio's use of derivative instruments may create additional leverage and involve risks different from, or greater than, the risks associated with investing in more traditional investments. 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 markets. Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request.

Composite Performance: All performance results are net of commissions and transaction costs, and have been presented gross or net of investment advisory fees. For performance presented net of fees, fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based 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.

Unless otherwise indicated, the Artisan Strategy characteristics relate to that of an investment composite or a representative account managed within a composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

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