Artisan High Income Fund

MONTHLY Commentary

Investor Class: ARTFX | Advisor Class: APDFX

As of 30 April 2024

Commentary

Our portfolio outperformed the ICE BofA US High Yield Index in April. The portfolio benefited from its exposure to leveraged loans in a month where Treasury rates rose across the curve. Our overweight to CCC-rated debt marginally detracted from returns but was more than offset by our security selection within B-rated credits. From a sector perspective, the most notable contributor was our allocation to, and selection within, the insurance brokerage segment.

The US economy's resilience continued to show across macro data in April, most notably in hotter-than-expected inflation readings. Coupled with Federal Reserve comments regarding timing of rate cuts that were perceived as "hawkish," market participants ignited a selloff in fixed rate debt as yields rose across the curve. The 10-year Treasury rate increased nearly 50bps in the month, returning to levels last seen in early November and erasing nearly all of the significant decline seen in Q4.

The fixed rate nature of high yield bonds resulted in a negative performance month for the index as rate changes overwhelmed income returns. However, it's worth noting that the high yield index outperformed investment grade bonds (as measured by the ICE BofA US Broad Market Index) by over 140bps given their shorter duration. High yield credit spreads remained effectively flat month over month, though not without volatility as the index traded in a 30bps range during April. By contrast, leveraged loans outperformed given their floating rate coupons, with the Credit Suisse Leveraged Loan Index gaining 68bps, outperforming the broader high yield market by 168bps.

Across credit qualities, CCC-rated debt underperformed the broader market in April though the category's performance remains ahead of the index year to date. We continue to find compelling opportunities in this segment of the market, which is often home to what we believe to be mis-understood and mis-rated risk, such as insurance brokers. In addition, while BB spreads have tightened to levels not seen since pre-COVID, spreads for the broader CCC index remain more than 300bps wider than their 2021 low.

Capital markets remain wide open, with over $26 billion in bonds and $72 billion in loans priced during the month. Excluding refinancings and repricings, net issuance was approximately $7 billion for bonds and $10 billion for loans. Borrowers continue to address near-term maturities, taking advantage of the decline in spreads since October. Commensurate with accommodative capital markets, defaults remain contained. Through April, the par-weighted default rate for bonds and loans, excluding distressed exchanges, was 1.55% and 1.32%, respectively. This represents a drop from the prior month as the rolling forward of the default rate window helped remove some of 2023's largest defaulters from the calculation.

Across bonds and loans, yields remain well above their 20-year averages, providing the potential for high-single-digit returns. In addition, as market participants have shifted their views from "rate cuts" to potentially "no cuts," leveraged credit has proven to be a valuable diversifier to portfolios given the combination of a short duration profile and high coupon. We remain focused on the fundamentals of our portfolio companies, remaining cautious and emphasizing the importance of business quality and credit selection in today's macro environment.

Portfolio Details

	ARTFX	APDFX
Net Asset Value (NAV)	$8.88	$8.87
Inception	19 Mar 2014	19 Mar 2014
30-Day SEC Yield	8.23%	8.41%
Expense Ratios		
Annual Report 30 Sep 2023	0.94%	0.79%
Prospectus 30 Sep 2023[1]	0.96%	0.80%

[1]See prospectus for further details.

Portfolio Statistics

Number of Holdings	237
Number of Issuers	123

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

Charter Communications Inc	4.0
The Ardonagh Group	3.9
Carnival Corp	3.7
NCL Corp Ltd	3.6
Virgin Media Secured Finance PLC	3.1
TKC Holdings Inc	2.9
Medline Industries Inc	2.7
VistaJet Ltd	2.5
Acrisure LLC	2.4
Altice France	1.9
TOTAL	**30.7%**

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.

Portfolio Composition (% of total portfolio)

Corporate Bonds	71.9
Bank Loans	17.5
Equities	0.2
Cash and Cash Equivalents	10.4
TOTAL	**100.0%**

Source: Artisan Partners/Bloomberg. Negative cash weightings and portfolio composition greater than 100% may be due to unsettled transactions or investment in derivative instruments. Treasury futures represented net notional exposure of 0.00% of net assets.

Investment Results (%)

				Average Annual Total Returns				
As of 30 April 2024	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTFX	**-0.61**	**-0.61**	**0.80**	**9.95**	**2.63**	**5.26**	**5.79**	**5.78**
Advisor Class: APDFX	**-0.60**	**-0.60**	**0.74**	**10.13**	**2.75**	**5.40**	**5.95**	**5.94**
ICE BofA US High Yield Index	-1.00	-1.00	0.49	8.88	1.50	3.53	4.19	4.24
As of 31 March 2024								
Investor Class: ARTFX	**0.74**	**1.42**	**1.42**	**11.80**	**3.18**	**5.74**	**5.90**	**5.90**
Advisor Class: APDFX	**0.63**	**1.34**	**1.34**	**11.98**	**3.31**	**5.88**	**6.06**	**6.05**
ICE BofA US High Yield Index	1.19	1.51	1.51	11.04	2.21	4.03	4.36	4.38

Source: Artisan Partners/ICE BofA. 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. Unlike the Index, the High Income Fund may hold loans and other security types. At times, this causes material differences in relative performance.

Ratings Distribution (%)

BBB	3.4
BB	28.1
B	45.2
CCC	22.5
CC	0.1
D	0.2
Unrated	0.5
TOTAL	**100.0%**

Source: Artisan Partners.

Maturity Distribution (%)

< 1 year	0.6
1 - <3 years	11.1
3 - <5 years	38.3
5 - <7 years	38.4
7 - <10 years	10.0
10+ years	1.6
TOTAL	**100.0%**

Source: Artisan Partners/Bloomberg. Percentages shown are of total fixed income securities in the portfolio.

Portfolio Construction

The team generally determines the amount of assets invested in each issuer based on conviction, valuation and availability of supply. Based on the team's analysis it divides the portfolio into three parts. Core investments are generally positions with stable to improving credit profiles and lower loan to value ratios. Spread investments are those where the team has an out-of-consensus view about a company's credit improvement potential. Opportunistic investments are driven by market dislocations that have created a unique investment opportunity. Allocations to each group will vary over time based on market conditions.

Team Leadership

Portfolio Manager	Years of Investment Experience
Bryan C. Krug, CFA	23

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.

ICE BofA US High Yield Index measures the performance of below investment grade US dollar-denominated corporate bonds publicly issued in the US market. 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 Broad Market Index tracks the performance of US dollar-denominated investment grade debt publicly issued in the US domestic market, including US Treasury, quasi-government, corporate, securitized and collateralized securities. With the exception of local currency sovereign debt, qualifying securities must have an investment grade rating (based on an average of Moody's, S&P and Fitch). 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.

Source ICE Data Indices, LLC is used with permission. ICE® is a registered trademark of ICE Data Indices, LLC or its affiliates and BofA® is a registered trademark of Bank of America Corporation licensed by Bank of America Corporation and its affiliates ("BofA"), and may not be used without BofA's prior written approval. The index data referenced herein is the property of ICE Data Indices, LLC, its affiliates ("ICE Data") and/or its third party suppliers and, along with the ICE BofA trademarks, has been licensed for use by Artisan Partners Limited Partnership. ICE Data and its Third Party Suppliers accept no liability in connection with the use of such index data or marks. See www.artisanpartners.com/ice-data.html for a full copy of the Disclaimer.

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. 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. **Maturity Distribution** represents the weighted average of the maturity dates of the securities held in the portfolio. **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.

Artisan Partners Funds offered through Artisan Partners Distributors LLC (APDLLC), member FINRA. APDLLC is a wholly owned broker/dealer subsidiary of Artisan Partners Holdings LP. Artisan Partners Limited Partnership, an investment advisory firm and adviser to Artisan Partners Funds, is wholly owned by Artisan Partners Holdings LP.