Artisan Floating Rate Fund

MONTHLY
Commentary

Investor Class: ARTUX | Advisor Class: APDUX

As of 31 August 2022

Commentary

Credit markets saw a notable uptick in volatility in August as hawkish Fed rhetoric led to sharply higher interest rates. The risk-on rally that started in early July was seemingly put to rest after Chair Powell's mid-month Jackson Hole speech sent an unambiguous message to markets that taming inflation is the Fed's ultimate priority and that a near-term dovish pivot should not be expected. With an outlook for slower growth and restrictive monetary conditions, five-year Treasury yields moved 70bps higher, resulting in resetting valuations across nearly all risk assets. For leveraged loans, the pickup in interest rate volatility translated into a strong month of gains and the second-largest month of outperformance relative to high yield bonds in the last twenty years. The Credit Suisse Leveraged Loan Index advanced 1.5% for the month, pushing YTD returns to -1.2%. For context, this compares favorably to YTD losses for high yield (-11.0%), investment grade credit (-13.8%) and US stocks (-16.1%).**

Our portfolio participated in the rally but modestly trailed the Credit Suisse Leveraged Loan Index during the month. The portfolio's preference for less cyclical credit risk in technology and services was a slight headwind to relative performance as more economically sensitive sectors led the market higher.

Loan yields increased 31bps to 9.2%, while loan spreads tightened 37bps to 564bps. Notably, the average loan coupon (6.2%) exceeds the average high yield bond coupon (5.8%) for the first time since 2001. Across ratings, returns were fairly uniform, though lower rated risk performed best. In all, CCCs led with gains of 1.8%, followed by Bs (1.7%) and BBs (1.2%). By seniority, first lien risk (1.5%) outperformed second lien (1.2%).

August saw just three defaults, impacting a total of $4.7 billion in bonds and loans. As a result, the par-weighted default rate increased to 0.9%. As we look ahead, credit markets are expected to see a significant pickup in issuance driven by an elevated LBO/M&A financing pipeline. This comes at a time of tightening lending standards and higher interest rate volatility—a combination that is likely to keep volatility elevated, resulting in more dispersion and differentiation across capital structures.

With an environment of widespread dispersion, we see a wider set of valuations creating a better opportunity set for our credit-intensive investment approach. Our process is consciously designed to exploit market dislocations, and we will use volatility to be a selective liquidity provider during periods of stress. Given our track record of successfully navigating different credit cycles, we believe our portfolio is well-tailored for the current environment, where disciplined underwriting and deep credit work are essential.

Portfolio Details

	ARTUX	APDUX
Net Asset Value (NAV)	$9.53	$9.53
Inception	1 Dec 2021	1 Dec 2021
30-Day SEC Yield (%)*	2.20/5.26	4.98/5.36
Expense Ratios (% Gross/Net)		
Semi-Annual Report 31 Mar 2022[1,2,3]	14.76/1.20	2.56/1.10
Prospectus 15 Nov 2021[2,3,4]	1.35/1.21	1.19/1.11

*Unsubsidized/subsidized. [1]Unaudited, for the period from commencement of operations 1 Dec 2021 through 31 Mar 2022. [2]Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2023. [3]See prospectus for further details. [4]Includes estimated expenses for the current fiscal year.

Portfolio Statistics

	Fund
Number of Holdings	76
Number of Issuers	61

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

KUEHG Corp	5.2
Gridiron Fiber Corp	4.6
AssuredPartners Inc	3.9
Edelman Financial Engines Center LLC	3.9
USI Inc	3.3
Employbridge LLC	3.0
Renaissance Learning Inc	2.9
TKC Holdings Inc	2.8
Ancestry.com Operations Inc	2.7
SIRVA Worldwide Inc	2.6
TOTAL	**34.9%**

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 (%)

				Average Annual Total Returns				
As of 31 August 2022	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	**1.32**	**3.30**	**-1.99**	—	—	—	—	**-2.28**
Advisor Class: APDUX	**1.33**	**3.32**	**-1.92**	—	—	—	—	**-2.21**
Credit Suisse Leveraged Loan Index	1.53	3.43	-1.17	—	—	—	—	-0.58
As of 30 June 2022								
Investor Class: ARTUX	**-2.45**	**-4.28**	**-5.12**	—	—	—	—	**-5.41**
Advisor Class: APDUX	**-2.44**	**-4.25**	**-5.07**	—	—	—	—	**-5.36**
Credit Suisse Leveraged Loan Index	-2.06	-4.35	-4.45	—	—	—	—	-3.87

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. The Fund's returns may vary greatly over shorter periods due to the limited operating period since inception. 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	2.8
BB	15.5
B	72.7
CCC	7.5
Unrated	1.5
TOTAL	**100.0%**

Source: S&P/Moody's.

Sector Diversification (% of portfolio securities)

Automotive	0.6
Banking	0.0
Basic Industry	1.5
Capital Goods	9.1
Consumer Goods	7.3
Energy	0.0
Financial Services	12.5
Health Care	1.0
Insurance	10.9
Leisure	6.2
Media	4.0
Real Estate	0.0
Retail	3.1
Services	19.0
Technology & Electronics	18.9
Telecommunications	4.7
Transportation	1.1
Utility	0.0
Other	0.0
TOTAL	**100.0%**

Source: Artisan Partners/ICE BofA. Cash and cash equivalents represented 2.9% of the total portfolio.

Region/Country Allocation (% of portfolio securities)

REGION	
AMERICAS	**100.0**
United States	100.0
EUROPE	**—**
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)	22
Seth B. Yeager, CFA	18

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 involve risks different from, or greater than, the risks associated with investing in more traditional investments, including 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 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. S&P 500® Index measures the performance of 500 US companies focused on the large-cap sector of the market. ICE BofA US Corporate Bond Index tracks performance of US dollar performance for investment corporate debt publicly issued in the US market. ICE BofA US High Yield Master II Index measures the performance of below investment grade $US-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.

**Asset classes return represented by the following indices: High yield (ICE BofA US High Yield Index), investment grade credit (ICE BofA US Corporate Bond Index), US stocks (S&P 500® Index).

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.

Sector exposure percentages reflect sector designations as currently classified by ICE BofA.

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. **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. **Spread** is the difference in yield between two bonds of similar maturity but different credit quality.

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.