



Artisan Floating Rate Fund

MONTHLY Commentary

Investor Class: ARTUX | Advisor Class: APDUX As of 31 May 2022

Commentary

Credit markets came under pressure again in May following a volatile month of trading across all risk assets. Concerns over the economy's ability to withstand high inflation and tighter financial conditions led to widespread decompression throughout May, but a late-month sentiment shift sparked a rally that helped recover some of the period's losses. Still, leveraged loans, which have been largely immune to the year's volatility, experienced their worst monthly loss since March 2020. The Credit Suisse Leverage Loan Index declined 2.5% during the month, after succumbing to the broader risk-off environment. The nearly limitless bid for floating-rate structures reversed in May after 16 straight months of retail inflows came to an end. Despite weakness, loans continue to be among the most resilient and best performing fixed income segments YTD, given limited sensitivity to rising interest rates.

Our portfolio outpaced the Credit Suisse Leveraged Loan Index in May. The portfolio's preference for less cyclical credits in technology and services contributed to the month's relative outperformance. At the same time, strong security selection across B and CCC-rated loans also contributed to excess returns. Looking ahead, we feel the portfolio's bias toward shorter maturity, higher quality issuers trading below par should position the portfolio well for an environment of continued volatility and economic uncertainty.

Average loan prices for the index fell to \$94.31, pushing spreads and all-in yields to 540bps and 8.1%, respectively. While valuations are elevated relative to the cyclical lows of the last two years, current spread levels are largely in line with long-term averages. Still, signs of risk aversion are emerging, particularly among lower rated risk. CCCs dramatically underperformed BBs as investors shifted their concerns from interest rates towards individual credit risk. Nonetheless, there are few indicators of stress across the loan landscape. Less than 2% of loans trade below \$80—only marginally higher than at the beginning of the year. Overall, BBs declined 1.8%, followed by Bs (-2.7%) and CCCs (-4.8%).

While May saw three loan defaults—the most since October 2020—the par-weighted default rate remains anchored below 1%. Despite the uptick in activity, we do not see imminent signs of stress in the near term, particularly when considering the amount of balance sheet repair that has occurred over the last 18 months.

With an environment of widespread dislocation and dispersion, we see a wider set of valuations creating a better opportunity set for our credit-intensive investment approach. 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 is essential.

Portfolio Details	ARTUX	APDUX
Net Asset Value (NAV)	\$9.58	\$9.58
Inception	1 Dec 2021	1 Dec 2021
30-Day SEC Yield	3.60%	3.69%
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

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

Portfolio Statistics	Fund
Number of Holdings	85
Number of Issuers	68

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

KUEHG Corp	4.8
Gridiron Fiber Corp	4.3
Edelman Financial Engines Center LLC	3.7
SS&C Technologies Inc	3.6
AssuredPartners Inc	3.6
SRS Distribution Inc	3.1
USI Inc	3.0
Employbridge LLC	2.9
TKC Holdings Inc	2.9
Alliant Holdings LP	2.8
TOTAL	34.7%

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.

Investment Results (%)

As of 31 May 2022	Average Annual Total Returns							Inception
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	
Investor Class: ARTUX	-2.04	-1.87	-2.74	—	—	—	—	-3.03
Advisor Class: APDUX	-2.03	-1.86	-2.69	—	—	—	—	-2.99
Credit Suisse Leveraged Loan Index	-2.51	-2.34	-2.44	—	—	—	—	-1.85

As of 31 March 2022								
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	-0.10	-0.88	-0.88	—	—	—	—	-1.18
Advisor Class: APDUX	-0.10	-0.85	-0.85	—	—	—	—	-1.15
Credit Suisse Leveraged Loan Index	0.04	-0.10	-0.10	—	—	—	—	0.50

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	4.7
BB	14.1
B	72.8
CCC	8.0
Unrated	0.4
TOTAL	100.0%

Source: S&P/Moody's.

Sector Diversification (% of portfolio securities)

Automotive	0.6
Banking	0.0
Basic Industry	1.8
Capital Goods	8.7
Consumer Goods	2.8
Energy	0.0
Financial Services	13.0
Health Care	1.9
Insurance	14.7
Leisure	8.9
Media	3.8
Real Estate	0.0
Retail	3.4
Services	16.7
Technology & Electronics	19.2
Telecommunications	4.5
Transportation	0.0
Utility	0.0
Other	0.0
TOTAL	100.0%

Source: Artisan Partners/ICE BofA. Cash and cash equivalents represented 4.5% of the total portfolio.

Region/Country Allocation (% of portfolio securities)

REGION	
AMERICAS	99.3
United States	99.3
EUROPE	0.7
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)	21
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. 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. The use of derivatives in a portfolio 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 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.

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. 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. **Average Price** is the aggregate market value of the fixed income securities in the portfolio. **Yield to maturity (YTM)** is the total return anticipated on a bond if the bond is held until it matures.

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.

© 2022 Artisan Partners. All rights reserved.