



Artisan Floating Rate Fund

MONTHLY Commentary

Investor Class: ARTUX | Advisor Class: APDUX

As of 30 November 2023

Commentary

Our portfolio marginally underperformed the Credit Suisse Leveraged Loan Index during the month. A positive contribution from our allocation to secured high yield bonds, which rallied amid a decline in yields and tightening of spreads, was offset by modestly negative security selection in loans. Across sectors, our allocation to capital goods and financial services added to relative return while technology detracted.

Leveraged loans, as measured by the Credit Suisse Leveraged Loan Index, returned a healthy 1.2% during November, significantly outperforming the prior month but underperforming fixed rate bonds. The ICE BofA High Yield Index gained 4.5% in its largest single month total return since July 2022 from a combination of significant spread tightening and a material decline in Treasury yields. For leveraged loans, discount margins tightened modestly as risk markets rallied during the month on the back of perceived dovish Federal Reserve rhetoric and softer inflation data. The average price of the index rose to 95.2 while yields fell to 9.8%; although yields are roughly 1% lower year to date, they still remain attractive versus 2020 and 2021 levels. Over \$27 billion of loan new issuance priced in November, with more than \$20 billion of the total related to refinancing.

By credit quality, higher rated loans (BB/split BB) performed the strongest in the month, while CCCs lagged but still produced positive returns. This phenomenon can be common in periods of strong, broad-based price momentum, as the more liquid, higher quality segment of the market generally reacts quicker to risk rallies. We retain high conviction in our current overweight to B and CCC credits, which is largely driven by idiosyncratic opportunities and the team's ability to find overlooked issuers offering attractive yields and spreads.

Default activity was modest, with eight defaults/distressed transactions occurring in the month across bonds and loans. One issuer, Ligado Networks, accounted for the majority of par defaulted across the eight market defaults; we held no exposure to the name in our portfolio. The par-weighted default rate for bonds and loans was 2.9% and 3.1% respectively, up modestly from the start of the year but in line with long-term averages.

The leveraged loan market is on track for its best year since 2009, returning over 11% year to date. Despite the year's strong performance, yields remain attractive compared to historical standards while the index is still nearly 5 points discounted to par from a price perspective. As we head into the end of the year with an uncertain 2024 in sight, we believe loans continue to offer investors an attractive combination of income generation and price appreciation potential.

Portfolio Details

	ARTUX	APDUX
Net Asset Value (NAV)	\$9.64	\$9.63
Inception	1 Dec 2021	1 Dec 2021
30-Day SEC Yield (%)*	8.06/8.62	8.42/8.73
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2023 ^{1,2}	2.74/1.20	1.57/1.10
Prospectus 30 Sep 2022 ^{1,2}	7.22/1.23	1.64/1.13

*Unsubsidized/subsidized. ¹Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2025. ²See prospectus for further details.

Portfolio Statistics

Number of Holdings	78
Number of Issuers	56

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

Ultimate Software Group Inc	4.9
Delta Topco Inc	4.8
Nexus Buyer LLC	4.7
STS Operating Inc	4.7
Edelman Financial Engines Center LLC	3.7
Surgery Center Holdings Inc	3.5
Medline Industries Inc	3.1
Fogo De Chao Inc	2.7
Amynta Agency Borrower Inc	2.6
TKC Holdings Inc	2.6

TOTAL 37.3%

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 30 November 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	1.02	1.04	11.99	12.07	—	—	—	4.60
Advisor Class: APDUX	0.92	0.95	11.98	12.08	—	—	—	4.65
Credit Suisse Leveraged Loan Index	1.19	1.22	11.26	11.65	—	—	—	5.24

As of 30 September 2023	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	1.44	4.23	10.84	12.97	—	—	—	4.44
Advisor Class: APDUX	1.56	4.26	10.92	13.09	—	—	—	4.54
Credit Suisse Leveraged Loan Index	0.88	3.37	9.91	12.47	—	—	—	5.03

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	3.2
BB	10.7
B	76.7
CCC	9.2
Unrated	0.2
TOTAL	100.0%

Source: Artisan Partners.

Sector Diversification (% of portfolio securities)

Automotive	0.0
Banking	0.0
Basic Industry	0.7
Capital Goods	11.4
Consumer Goods	4.9
Energy	0.0
Financial Services	13.2
Health Care	9.7
Insurance	12.6
Leisure	5.1
Media	3.5
Real Estate	0.7
Retail	4.7
Services	13.7
Technology & Electronics	19.7
Telecommunications	0.3
Transportation	0.0
Utility	0.0
Other	0.0
TOTAL	100.0%

Source: Artisan Partners/ICE BofA. Cash and cash equivalents represented 8.7% of the total portfolio.

Region/Country Allocation (% of portfolio securities)

REGION	
AMERICAS	100.0
United States	100.0
Germany	0.0
Luxembourg	0.0
Netherlands	0.0
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)	23
Seth B. Yeager, CFA	20

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. 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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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. **Three-year takeout** refers to the point at which a current loan is refinanced or otherwise paid off. **Discount margin (DM)** is the average expected return of a floating-rate security that's earned in addition to the index underlying, or reference rate of, the security. **Par** represents the level a security trades at when its yield equals its coupon.

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