



Artisan High Income Fund

MONTHLY Commentary

Investor Class: ARTFX | Advisor Class: APDFX

As of 31 January 2025

Commentary

Our portfolio performed in line with the ICE BofA US High Yield Index during the month. Security selection in corporate bonds was the largest contributor, offset by the portfolio's allocation to bank loans which lagged fixed rate investments. By rating, the most notable contributor was security selection in B-rated securities. From a sector perspective, the portfolio benefited from security selection in telecommunications and transportation, while selection within insurance detracted.

Risk markets began the year with positive sentiment overall contrasting against continued interest rate volatility. Market concerns over a more hawkish Federal Reserve mixed with ongoing discussions around the impact of protectionist federal government policies, such as tariffs, resulted in a sharp initial rise in the yield curve early in the month. The 10-Year Treasury yield rose 22bps through January 14, reaching a high of nearly 4.8% mid-month. A consumer price index (CPI) report in line with expectations helped propel a shift downward in rates during the second half of January with the 10-Year yield ending the month effectively unchanged at 4.5%.

Against this backdrop, credit markets continued to perform well driven by a mix of price gains, spread tightening and attractive coupon income. The ICE BofA US High Yield Index gained 1.4% for the month with spreads tightening 24bps at the index level. High yield bonds performed well across the credit quality spectrum, with BBs, Bs and CCCs all posting positive gains for the month. In a continued theme of recent months, CCCs outperformed other categories, gaining 1.6% with CCC spreads tightening 47bps. Loans continued their consistently positive performance, with the S&P UBS Leveraged Loan Index returning 0.7%, its 20th straight month of positive total returns.

The technical backdrop for credit remains notably strong. Although the leveraged loan market continues to price record amounts of supply from repricings and refinancings, net supply across bonds and loans remains relatively muted. In addition, fund flows into high yield and loan markets continue to be positive as investors find current yield levels compelling. From a fundamentals perspective, default rates remain benign. January recorded the lowest volume of defaults in high yield bonds and leveraged loans since December 2022. Excluding distressed exchanges, the par-weighted default rate ended the month at 0.3% for high yield bonds and 1.5% for leveraged loans, well below long-term averages.

Credit markets have begun the year with attractive performance against a backdrop of uncertainty, heightened more recently by the inauguration of a new presidential administration. With all-in yields still providing the potential for compelling returns, we continue to believe credit markets represent a powerful complement to diversified portfolios. In turn, a strong technical bid has helped tighten spreads materially over the past year at the index level. In the face of a market trading relatively tight overall, we believe that value in credit today is best found through a fundamentally driven, high-conviction portfolio that emphasizes business quality.

Portfolio Details

	ARTFX	APDFX
Net Asset Value (NAV)	\$9.18	\$9.17
Inception	19 Mar 2014	19 Mar 2014
30-Day SEC Yield	7.82%	7.97%
Expense Ratios		
Annual Report 30 Sep 2024	0.95%	0.79%
Prospectus 30 Sep 2024 ¹	0.96%	0.80%

¹See prospectus for further details.

Portfolio Statistics

Number of Holdings	238
Number of Issuers	120

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

The Ardonagh Group	5.0
Carnival Corp	4.3
Charter Communications Inc	4.2
VistaJet Ltd	3.4
NCL Corp Ltd	3.2
TKC Holdings Inc	3.0
Virgin Media Secured Finance PLC	2.9
Medline Industries Inc	2.8
Acrisure LLC	2.7
Alliant Holdings LP	2.5
TOTAL	34.1%

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	74.9
Bank Loans	18.3
Equities	0.2
Cash and Cash Equivalents	6.6
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 (%)

As of 31 January 2025	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTFX	1.35	1.35	1.35	9.51	4.95	5.81	6.48	6.20
Advisor Class: APDFX	1.36	1.36	1.36	9.68	5.11	5.96	6.64	6.36
ICE BofA US High Yield Index	1.38	1.38	1.38	9.67	4.35	4.33	5.15	4.78
As of 31 December 2024								
Investor Class: ARTFX	-0.09	0.83	8.37	8.37	4.18	5.70	6.41	6.12
Advisor Class: APDFX	-0.18	0.87	8.43	8.43	4.30	5.85	6.58	6.28
ICE BofA US High Yield Index	-0.43	0.16	8.20	8.20	2.91	4.04	5.08	4.68

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	2.8
BB	28.9
B	44.0
CCC and Below	22.4
Unrated	1.9
TOTAL	100.0%

Source: Artisan Partners.

Maturity Distribution (%)

< 1 year	1.1
1 - <3 years	14.0
3 - <5 years	41.2
5 - <7 years	30.9
7 - <10 years	11.5
10+ years	1.4
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	24

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. S&P UBS Leveraged Loan Index is an unmanaged market value-weighted index designed to mirror the investable universe of the US dollar-denominated leveraged loan market. Loan facilities must be rated "BB" or lower by S&P, Moody's or Fitch; 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.

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.

The S&P 500 and S&P UBS Leveraged Loan Indices are products of S&P Dow Jones Indices LLC ("S&P DJI") and/or its affiliates and has been licensed for use. Copyright © 2025 S&P Dow Jones Indices LLC, a division of S&P Global, Inc. All rights reserved. Redistribution or reproduction in whole or in part are prohibited without written permission of S&P Dow Jones Indices LLC. S&P® is a registered trademark of S&P Global and Dow Jones® is a registered trademark of Dow Jones Trademark Holdings LLC ("Dow Jones"). None of S&P DJI, Dow Jones, their affiliates or third party licensors makes any representation or warranty, express or implied, as to the ability of any index to accurately represent the asset class or market sector that it purports to represent and none shall have any liability for any errors, omissions, or interruptions of any index or the data included therein.

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 determined by Artisan Partners based on ratings from S&P and/or Moody's, which typically range from AAA (highest) to D (lowest). For securities rated by both S&P and Moody's, the higher of the two ratings was used, and those not rated by either agency have been categorized as Unrated/Not Rated. Ratings are applicable to the underlying portfolio securities, but not the portfolio itself, and are subject to change. **Maturity Distribution** represents the weighted average of the maturity dates of the securities held in the portfolio. **Par** represents the level a security trades at when its yield equals its coupon. **Spread** is the difference in yield between two bonds of similar maturity but different credit quality. **Consumer Price Index** measures the average change in prices over time that consumers pay for a basket of goods and services. **Current Yield** is the annual income (interest or dividends) divided by the current price of a security. **Leveraged Loans** are extended to companies or individuals that already have considerable amounts of debt.

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.

© 2025 Artisan Partners. All rights reserved.

2/7/2025 A25162L_vR