



Artisan Floating Rate Fund

MONTHLY
Commentary

Investor Class: ARTUX | Advisor Class: APDUX

As of 31 January 2025

Commentary

Our portfolio performed in line with the S&P UBS Leveraged Loan Index during the month. Across asset types, security selection in bank loans was the primary contributor to relative performance, with the allocation to corporate bonds a secondary contributor as fixed rate assets generally outperformed floating. From a sector perspective, the portfolio benefited from security selection in services and financial services, while selection within leisure was the largest detractor.

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, the leveraged loan market continued to perform well driven by a mix of price gains and attractive coupon income. The S&P UBS Leveraged Loan Index gained 0.7% in January, registering its 20th consecutive month of positive total returns. The average price of the index rose to 96.5 while the yield to three-year takeout remained virtually the same month-over-month at 8.8%. Current yield levels for loans are well above most other segments of the fixed income market, with the added benefit of significantly reduced interest rate risk through their floating rate coupon structure.

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.

The leveraged loan market has 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 the loan market represents a powerful complement to diversified portfolios. In turn, a strong technical bid has helped tighten spreads and increase prices across the loan universe over the past year. In the face of a market trading relatively tight overall, we believe that value in the loan market today is best found through a fundamentally driven, high-conviction portfolio that emphasizes business quality.

Portfolio Details

	ARTUX	APDUX
Net Asset Value (NAV)	\$9.59	\$9.59
Inception	1 Dec 2021	1 Dec 2021
30-Day SEC Yield (%)*	8.07/8.48	8.31/8.59
Expense Ratios (% Gross/Net)		
Annual Report 30 Sep 2024 ^{1,2,3}	1.78/1.20	1.45/1.10
Prospectus 30 Sep 2024 ^{2,3}	1.80/1.22	1.47/1.12

*Unsubsidized/subsidized. ¹Excludes Acquired Fund Fees and Expenses as described in the prospectus. ²Net expenses reflect a contractual expense limitation agreement in effect through 31 Jan 2026. ³See prospectus for further details.

Portfolio Statistics

Number of Holdings	96
Number of Issuers	76

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

Nexus Buyer LLC	4.7
Delta Topco Inc	4.7
TKC Holdings Inc	4.0
Edelman Financial Engines Center LLC	3.4
The Ardonagh Group	3.3
GSM Holdings Inc	2.7
Applied Systems Inc	2.4
Fogo De Chao Inc	2.2
Consumer Cellular	2.2
Acrisure LLC	2.1
TOTAL	31.6%

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 January 2025	Average Annual Total Returns							
	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTUX	0.62	0.62	0.62	7.37	6.40	—	—	5.92
Advisor Class: APDUX	0.63	0.63	0.63	7.60	6.48	—	—	6.03
S&P UBS Leveraged Loan Index	0.72	0.72	0.72	8.98	6.97	—	—	6.92
As of 31 December 2024								
Investor Class: ARTUX	0.84	1.89	7.48	7.48	6.15	—	—	5.87
Advisor Class: APDUX	0.95	2.03	7.60	7.60	6.26	—	—	5.99
S&P UBS Leveraged Loan Index	0.59	2.29	9.05	9.05	6.84	—	—	6.86

Source: Artisan Partners/S&P. 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 (%)

BB	7.0
B	70.7
CCC and Below	12.6
Unrated	9.7
TOTAL	100.0%

Source: Artisan Partners.

Sector Diversification (% of portfolio securities)

Automotive	1.8
Banking	0.0
Basic Industry	2.5
Capital Goods	3.4
Consumer Goods	6.8
Energy	0.0
Financial Services	11.5
Health Care	2.2
Insurance	18.3
Leisure	4.9
Media	2.9
Real Estate	3.6
Retail	12.4
Services	10.3
Technology & Electronics	14.7
Telecommunications	4.0
Transportation	0.7
Utility	0.0
Other	0.0
TOTAL	100.0%

Source: Artisan Partners/ICE BofA. Cash and cash equivalents represented 7.8% of the total portfolio. Sector categorizations for portfolio securities are based on ICE BofA classifications and are subject to reclassification at the investment team's discretion.

Region/Country Allocation (% of portfolio securities)

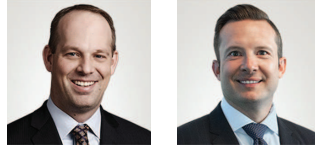
REGION	
AMERICAS	94.4
United States	92.2
Canada	1.4
Cayman Islands	0.8
PACIFIC BASIN	3.6
EUROPE	2.1
TOTAL	100.0%

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)	24
Seth B. Yeager, CFA	21

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.

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. ICE BofA US High Yield Index measures the performance of below investment grade US dollar-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.

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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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 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. **Consumer Price Index** measures the average change in prices over time that consumers pay for a basket of goods and services. **Average Price** is the aggregate market value of the fixed income securities in the portfolio. **Leveraged Loans** are extended to companies or individuals that already have considerable amounts of debt. **Current Yield** is the annual income (interest or dividends) divided by the current price of a security. **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. **Three-year takeout** refers to the point at which a current loan is refinanced or otherwise paid off.

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