Artisan High Income Fund

MONTHLY Commentary

Investor Class: ARTFX | Advisor Class: APDFX

As of 31 January 2024

Commentary

Our portfolio outperformed the ICE BofA US High Yield Index in January. In a month where the high yield market returned near zero, a significant driver of our outperformance was our allocation to leveraged loans, which continue to be an important source of diversification and alpha for the portfolio. From a sector perspective, our allocations to insurance brokers and services contributed positively while our holdings in media and telecommunications detracted.

In January, investors digested a continued resilient macro economy, moderating inflation and an overall market narrative forecasting rate cuts in 2024. Equity markets responded by continuing their year-end rally with the S&P 500® Index gaining 1.7%, while coupon income for high yield offset marginal spread widening following a significant decrease in credit spreads in Q4 2023. The Fed's messaging at the end of the month reminded investors that monetary policy will continue to be data dependent. Based on incoming data that was stronger than anticipated, the market-implied likelihood of a March rate cut declined from a near certainty entering the year to approximately a one-third probability by month-end.

By credit quality, CCCs (-0.4%) lagged BBs and Bs (both returning +0.1%). Price action was relatively muted, with CCC spreads widening the most at 55bps, though the CCC market remains significantly tighter (217bps) than the start of 2023. We continue to remain highly selective in our CCC exposure, emphasizing strong fundamentals and business quality, noting that the CCC segment continues to exhibit high dispersion among issuers.

Default activity remains light, similar to December. The par-weighted default rate for bonds and loans, excluding distressed exchanges, ended the month at 2.05% and 1.96%, respectively. The primary market was extremely active in January; high yield bond issuance was the largest monthly total since November 2021 with $32 billion priced during the month, while leveraged loans priced over $136 billion. It's worth noting that the vast majority of new issuance continues to be driven by refinancing/repricing as issuers take advantage of recent spread tightening, with only $6 billion and $10 billion, respectively, of net new supply entering the high yield and loan market during the month.

Although the year begins with a quiet month from a performance perspective, investors continue to weigh a multitude of macro and market factors in their daily decision making. With the market expecting a significant amount of rate cuts during 2024, the path forward for investors remains uncertain, particularly if the macro environment remains strong. As always, we continue to be driven by our bottom-up focus, intensely monitoring fundamentals and quality among our portfolio companies while selectively investing in attractive new issuance.

Portfolio Details

	ARTFX	APDFX
Net Asset Value (NAV)	$9.00	$8.99
Inception	19 Mar 2014	19 Mar 2014
30-Day SEC Yield	8.14%	8.34%
Expense Ratios		
Annual Report 30 Sep 2023	0.94%	0.79%
Prospectus 30 Sep 2023[1]	0.96%	0.80%

[1]See prospectus for further details.

Portfolio Statistics

Number of Holdings	226
Number of Issuers	121

Source: Artisan Partners.

Top 10 Holdings (% of total portfolio)

Charter Communications Inc	4.1
Carnival Corp	3.9
NCL Corp Ltd	3.6
NFP Corp	3.4
Acrisure LLC	2.7
Virgin Media Secured Finance PLC	2.7
Medline Industries Inc	2.6
Altice France	2.5
TKC Holdings Inc	2.4
VistaJet Ltd	2.2
TOTAL	**30.1%**

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	75.9
Bank Loans	16.1
Equities	0.3
Cash and Cash Equivalents	7.7
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 (%)

				Average Annual Total Returns				
As of 31 January 2024	MTD	QTD	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception
Investor Class: ARTFX	**0.30**	**0.30**	**0.30**	**10.49**	**3.32**	**5.90**	—	**5.88**
Advisor Class: APDFX	**0.20**	**0.20**	**0.20**	**10.66**	**3.48**	**6.07**	—	**6.03**
ICE BofA US High Yield Index	0.02	0.02	0.02	9.21	1.88	4.27	—	4.29
As of 31 December 2023								
Investor Class: ARTFX	**3.39**	**6.66**	**15.69**	**15.69**	**3.45**	**6.77**	—	**5.90**
Advisor Class: APDFX	**3.41**	**6.83**	**15.87**	**15.87**	**3.61**	**6.94**	—	**6.06**
ICE BofA US High Yield Index	3.69	7.06	13.46	13.46	2.00	5.21	—	4.33

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.

Artisan High Income Fund

Investor Class: ARTFX | Advisor Class: APDFX

Ratings Distribution (%)

BBB	4.3
BB	26.2
B	42.2
CCC	24.6
D	0.2
Unrated	2.5
TOTAL	**100.0%**

Source: Artisan Partners.

Maturity Distribution (%)

< 1 year	0.8
1 - <3 years	9.0
3 - <5 years	39.1
5 - <7 years	42.1
7 - <10 years	7.4
10+ years	1.6
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.

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Team Leadership

Portfolio Manager	Years of Investment Experience
Bryan C. Krug, CFA	23

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-denominated corporate bonds publicly issued in the US market. 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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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. **Maturity Distribution** represents the weighted average of the maturity dates of the securities held in the portfolio. **Options-Adjusted Spread (OAS)** measures the portfolio's yield spread for fixed income securities relative to a benchmark, typically a treasury yield curve, adjusted to account for embedded options. **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. **Rising Star** is a bond that was once rated below investment grade (BB+ or below) by major rating agencies that is subsequently upgraded to investment grade (BBB- or above). **Fallen Angel** is a bond that was once rated investment grade (BBB- or above) by major rating agencies that is subsequently downgraded to below investment grade (BB+ or below).

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