

# Artisan Floating Rate Strategy

Inception: 1 January 2022

## Differentiated Exposure to Bank Loans

The Artisan Floating Rate Strategy is an actively managed portfolio aiming to exploit inefficiencies embedded in the \$1.5 trillion bank loan market. The Strategy is high conviction and focused, emphasizing the team’s “best ideas” in loans with select exposure to fixed rate debt.

## Strategy Goals

### High Conviction Portfolio

Focused portfolio driven by a research-intensive process offers significant differentiation versus peers

### Attractive Yields and Income

Potential to generate compelling returns, primarily from attractive coupon income and selective total return opportunities

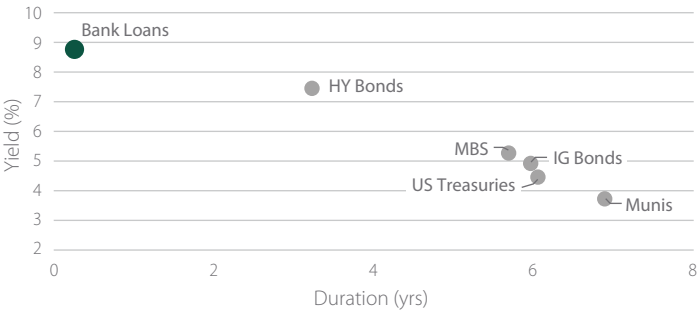
### Diversification and Consistency

Loans can offer diversification benefits to portfolios, with a history of consistent, positive returns for the asset class. Since inception of the index, loans have generated positive returns in 30 of 33 years<sup>1</sup>

<sup>1</sup>Based on calendar year returns for the S&P UBS Leveraged Loan Index since inception (Jan 1992).

### Loans Can Offer Attractive Yields with Low Interest Rate Risk

Yield versus Duration



As of 31 Dec 2024. Source: Artisan Partners/ICE BofA/S&P. “Yield” shown uses yield-to-worst for fixed income indices and yield (3-year life) for bank loans. Past performance does not guarantee and is not a reliable indicator of future results. See Notes and Disclosures for important information.

### Loans Can Offer Diversification Benefits to Portfolios

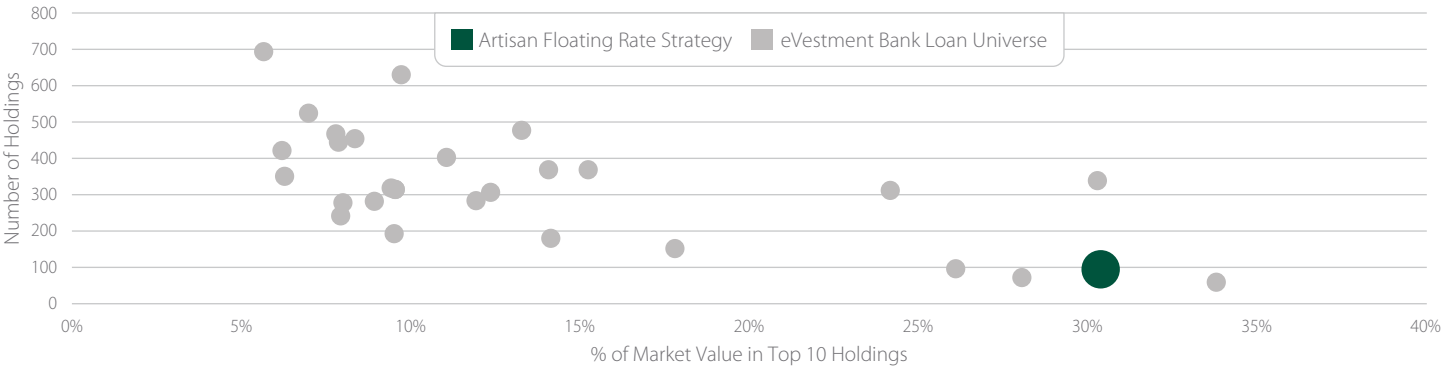
Index returns since Jan 1992

CORRELATION TO	SENIOR LOANS
US Treasuries	-0.25
MBS	-0.04
IG Bonds	0.05
Munis	0.22
S&P 500®	0.47
HY Bonds	0.75

As of 31 Dec 2024. Source: Artisan Partners/ICE BofA/S&P. See Notes and Disclosures for important information.

### The Strategy Seeks to Offer Highly Differentiated Exposure Versus Peers

Driven by High Conviction Holdings in the Team’s “Best Ideas”



As of 31 Dec 2024. Source: Artisan Partners/eVestment. See Notes and Disclosures for important information.

**Investment Risks:** Investments will rise and fall with market fluctuations and investor capital is at risk. Investors investing in strategies denominated in non-local currency should be aware of the risk of currency exchange fluctuations that may cause a loss of principal. These risks, among others, are further described near the back of this document, which should be read in conjunction with this material.

## Investment Philosophy

The Artisan Credit team believes that the non-investment grade corporate credit market has cyclical, industry and company-specific dislocations that can be exploited through rigorous fundamental credit research. By emphasizing business quality—those companies with attractive credit characteristics such as recurring revenue, low capex needs and tangible barriers to entry—the team aims to lend to companies that offer attractive risk-adjusted return potential.

### Research-Intensive Approach

Operating with an “analyst first” mentality, the investment team is highly focused on generating alpha through superior security selection. Deep fundamental credit analysis is at the core of the team’s approach, enhanced by the use of alternative data at the market, industry and company level, where available. The team meets daily to discuss new investment ideas and re-underwrites each credit in the portfolio on a quarterly basis.

### Differentiated Portfolio Construction

The result is a portfolio that looks very different than many indices and peers, by design. By focusing solely on “best ideas”, the team constructs portfolios that hold differentiated exposures in a high conviction manner, offering curated exposure to the asset class with true active management.

#### Investment Results

(% USD) As of 31 December 2024	Average Annual Total Returns				
	QTD	YTD	1 YR	3 YR	Inception
<b>Composite—Gross</b>	<b>2.22</b>	<b>8.78</b>	<b>8.78</b>	<b>7.44</b>	<b>7.44</b>
<b>Composite—Net</b>	<b>2.05</b>	<b>8.05</b>	<b>8.05</b>	<b>6.71</b>	<b>6.71</b>
S&P UBS Leveraged Loan Index	2.29	9.05	9.05	6.84	6.84
Calendar Year Returns (% USD)					
	2020	2021	2022	2023	2024
<b>Composite—Net</b>	—	—	<b>-1.48</b>	<b>14.17</b>	<b>8.05</b>

Source: Artisan Partners/S&P. Composite Inception: 1 Jan 2022. Returns for periods less than one year are not annualized.

Past performance does not guarantee and is not a reliable indicator of future results. Current performance may be lower or higher than the performance shown. Composite performance has been presented in both gross and net of investment management fees.

**Bryan C. Krug, CFA**  
Portfolio Manager

**24** Years Investment Experience



**Seth B. Yeager, CFA**  
Portfolio Manager

**22** Years Investment Experience



## Meet the Team

The Artisan Partners Credit team is led by Portfolio Manager Bryan Krug. Since founding the team in 2013, Bryan has emphasized the formation of a diverse and well-resourced group with credit intensive experience across performing, stressed, and distressed credit. The Floating Rate Strategy is co-managed by Bryan Krug and Seth Yeager, supported by a team of experienced individuals across credit research, data science and trading. The team is based in Denver, Colorado.



**Investment Risks:** 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. These risks, among others, are further described in Artisan Partners Form ADV, which is available upon request. This is a marketing communication.

The Artisan Strategy characteristics relate to that of a representative account managed within an investment composite. It is intended to provide a general illustration of the investment strategy and considerations used by Artisan Partners in managing that strategy, unless otherwise indicated. Individual accounts may differ, at times significantly, from the reference data shown due to varying account restrictions, fees and expenses, and since-inception time periods, among others. Where applicable, this information is supplemental to, and not to be construed with, a current or prospective client's investment account information.

Securities of the same issuer are aggregated to determine a holding's weight in the portfolio. 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. This material is as of the date indicated and is subject to change without notice. Portfolio statistics include accrued interest unless otherwise stated. Totals may not sum due to rounding.

Net-of-fees composite returns were calculated using the highest model investment advisory fees applicable to portfolios within the composite. Fees may be higher for certain pooled vehicles and the composite may include accounts with performance-based fees. All performance results are net of commissions and transaction costs, and have been presented gross and net of investment advisory fees. Dividend income is recorded net of foreign withholding taxes on ex-dividend date or as soon after the ex-dividend date as the information becomes available to Artisan Partners. Interest income is recorded on the accrual basis. Performance results for the Index include reinvested dividends and are presented net of foreign withholding taxes but, unlike the portfolio's returns, do not reflect the payment of sales commissions or other expenses incurred in the purchase or sale of the securities included in the indices.

"Bank Loans" represents the S&P UBS Leveraged Loan Index. "HY Bonds" represents the ICE BofA US High Yield index. "MBS" represents the ICE BofA US Mortgage Backed Securities index. "Munis" represent the ICE BofA US Municipal Securities index. "US Treasuries" represents the ICE BofA US Treasury index. "IG Bonds" represents the ICE BofA US Broad Market index.

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.

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The eVestment Floating-Rate Bank Loan Universe (Bank Loan Universe) contains US debt strategies that primarily invest in Bank Loans that pay a floating rate of interest and generate returns based on the interest payments from the issuers. Common product names/terminology associated with these products include "bank loans," "senior loans," "syndicated loans," "floating-rate loans," and "adjustable-rate loans." Common benchmarks include the S&P UBS Leveraged Loan index. As of 31 Dec 2024, the universe includes a total of 110 strategies, with 29 reporting both number of holdings and market value weight in Top 10 holdings. eVestment® is a manager-reported database of institutional investment managers and does not independently verify the data.

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