

Artisan Partners Asset Management

BUSINESS UPDATE AND THIRD QUARTER 2020 EARNINGS PRESENTATION

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INTRODUCTION

Makela Taphorn—Director of Investor Relations, Artisan Partners Asset Management Inc.:

Thank you. Welcome to the Artisan Partners Asset Management business update and earnings call.

Today's call will include remarks from Eric Colson, Chairman and CEO and C.J. Daley, CFO.

Our latest results and investor presentation are available on the investor relations section of our website. Following these remarks, we will open the line for questions.

Before we begin, I'd like to remind you that comments made on today's call, including responses to questions, may deal with forward-looking statements which are subject to risks and uncertainties. These are presented in the earnings release and detailed in our filings with the SEC. We are not required to update or revise any of these statements following the call.

In addition, some of our remarks made today will include references to non-GAAP financial measures. You can find reconciliations of those measures to the most comparable GAAP measures in the earnings release.

I will now turn the call over to Eric Colson.

BUSINESS PHILOSOPHY & APPROACH

High Value Added Investment Firm

Active Strategies

Autonomous Franchises

Proven Results

Talent Driven Business Model

Designed for Investment
Talent to Thrive

Managed by Business Professionals

Structured to Align Interests

Thoughtful Growth

Active Talent Identification

Entrepreneurial Commitment

Focus on Long-Term
Global Demand

Since its founding, Artisan has built its business based upon a consistent philosophy and business model.

BUSINESS PHILOSOPHY & APPROACH

Eric Colson—Chairman, President & Chief Executive Officer, Artisan Partners Asset Management Inc.:

Thank you Makela. And thank you everyone for joining the call or reading the transcript.

Today, Artisan Partners is managing more assets for more clients, across more autonomous investment teams and strategies, than ever before. We are compounding wealth for clients. We are creating new growth opportunities for internal and external talent. And we are generating results for shareholders. In the third quarter, we earned more revenue than ever before in our history, and we recently declared our highest quarterly dividend ever, \$0.83 per share.

These outcomes result from investments we have made in the firm over long periods of time: identifying, recruiting, and retaining great investment talent, investing in new people, and reinvesting in our existing franchises, launching high value-added investment strategies that fit with long-term asset allocation trends, building our flexible and resilient operating platform, and developing our high-quality, leveraged distribution model and team.

In today's highly uncertain and rapidly changing environment, we are operating well. We are getting the day-to-day job done. At the same time, we are making forward progress with business initiatives that we expect to yield further long-term, sustainable growth.

NEW INVESTMENT TALENT

International Value Team

Additions	Investment Experience	Portfolio Management Experience
Beini Zhou	15 years	7 years
Anand Vasagiri	15 years	10 years

Investment Strategy International Small Cap Value

Vehicles Private LP / Separate Accounts

Launch Date October 1, 2020

- Opportunity**
- Focuses on inefficient part of market
 - Leverages team's philosophy while independently applying investment process
 - Institutional demand

Global Equity Team

Additions	Investment Experience	Portfolio Management Experience
Tiffany Hsiao	18 years	13 years
Yuanyuan Ji	9 years	< 1 year

Investment Strategy Greater China Post Venture

Vehicle Private LP

Launch Date TBD

- Opportunity**
- Positioned to capture China growth
 - Private investment component
 - Fits with growing demand for China allocations

NEW INVESTMENT TALENT

Eric Colson—Chairman, President & Chief Executive Officer, Artisan Partners Asset Management Inc.:

Turning to slide two.

As previously announced, in the third quarter, two experienced portfolio managers, Beini Zhou and Anand Vasagiri, re-joined the Artisan International Value team and launched the Artisan International Small-Cap Value strategy. Earlier in their careers, Beini and Anand worked as analysts under David Samra, the founder and leader of our International Value Franchise. Beini and Anand are well versed in the team's value investing philosophy and process. The new strategy is a natural extension for David and the International Value franchise, providing the group an opportunity to exploit an inefficient part of the market and further develop the franchise's expertise and business.

Also, Tiffany Hsiao and Yuanyuan Ji joined the Artisan Global Equity team. We are currently working with Tiffany and Yuanyuan to build and resource their team and design and launch a strategy to invest in post-venture firms in greater China. We expect the strategy will include both public and private investments, providing investors with differentiated access to the Chinese growth story. The strategy should also fit with long-term demand from sophisticated clients who are increasing allocations to China to capture growth and catch up with China's status as the world's second largest economy.

FRANCHISE DEVELOPMENT

International Value Team

Founding Portfolio Manager: **David Samra**
Established: 2002



2020: Beini Zhou & Anand Vasagiri Join and Launch International Small Cap Value Strategy

Global Equity Team

Founding Portfolio Manager: **Mark Yockey**
Established: 1995



2020: Tiffany Hsiao & Yuanyuan Ji Join to Launch Greater China Post Venture Strategy

2020 AUM as of September 30, 2020. All other AUM figures as of December 31 of applicable year. International Value team AUM includes assets managed in the Global Value strategy until the team's evolution in October 2018.

FRANCHISE DEVELOPMENT

Eric Colson—Chairman, President & Chief Executive Officer, Artisan Partners Asset Management Inc.:

On slide three, you can see where the recent additions fit into the longer-term development of the International Value and Global Equity franchises, two of our longest tenured groups.

Our autonomous investment team model is extremely flexible. We try to develop a common set of franchise traits across all of the investment teams. But the path and the form the traits take are unique for each team.

David Samra and Dan O’Keefe founded the International Value team in 2002. On the strength of the performance of the flagship International Value strategy, they launched the Global Value strategy in 2007. They developed their franchise and business to the point that, in 2018, it made sense to evolve into two separate teams, creating opportunity and space for further growth. Earlier this year, Dan’s Global Value franchise launched the Select Equity strategy. Now, David is taking another step with Beini and Anand and the International Small Cap Value strategy.

For 25 years, Mark Yockey has been developing the Global Equity franchise. Today, within Mark’s investment eco-system, we have the flagship, first generation International Growth strategy; the second generation Global Equity strategy; the third generation International Small Mid Growth strategy, managed by Rezo Kanovich; and the next generation strategy we are working on with Tiffany and Yuanyuan.

This “team-within-a-team” approach allows us to provide the space, autonomy, and ownership necessary to attract great talent. At the same time, we are injecting new experience, expertise, and ideas into established franchises, which creates new options for growth and should ultimately extend franchise duration.

THOUGHTFUL GROWTH

Investments	<ul style="list-style-type: none">▪ Internal / External Talent▪ Degrees of Freedom▪ First, Second, Third and Next Generation
Distribution	<ul style="list-style-type: none">▪ Strategic Partnerships▪ Wealth Market▪ Data & Digital
Operations	<ul style="list-style-type: none">▪ Flexible Platform▪ Mobility & Resilience▪ Integrity / Sustainability

THOUGHTFUL GROWTH

Eric Colson—Chairman, President & Chief Executive Officer, Artisan Partners Asset Management Inc.:

When we talk about growth, we always say “thoughtful growth.” That means growth that is consistent with who we are as a high value-added, talent-driven, investment firm.

Slide four shows some of the areas where we’ve been thoughtfully growing.

It all starts with investments. We continue to add great new investment talent, and to reinvest in existing talent. We continue to add degrees of investment freedom, within existing strategies and with new strategies. We continue to develop all three generations of strategies, and we are exploring the next generation. The First Generation strategies continue to represent about half of our business, and we expect these strategies to remain an important part of asset allocations for many years to come. Our Second Generation, global strategies continue to experience strong demand, in particular from non-U.S. institutional investors. Year to date, the Second Generation strategies have raised \$1.6 billion in net client cash flows. And our Third Generation strategies continue to see extremely strong business development, particularly in the U.S. wealth channel, which we expect to be a source of long-term secular growth. Year to date, the Third Generation strategies have raised \$5.7 billion in net inflows, an annualized organic growth rate of 63%.

As part of our thoughtful growth mentality, we try to bring together great investment talent; investment resources and degrees of freedom; and long-term demand. Within that framework, what might the next generation of Artisan strategies look like? We see public and private securities coming together; multiple degrees of investment freedom in the same strategy; and more ways for clients to access our investment ideas and expertise, such as through co-investments. As we match great investors with additional degrees of freedom, they will have the ability to further differentiate themselves, and clients will have the ability to access multiple expressions of our investment ideas and expertise.

Our thoughtful approach to growth extends beyond investments. We have always maintained a lean distribution model that complements our investments-first approach. By keeping our fixed sales costs low, we are not under pressure to generate or “manufacture” product to feed a distribution machine. Our distribution team is high quality and flexible. They minimize the time our portfolio managers spend on distribution. And they serve multiple client types across our target geographies around the world.

We maintain this approach by focusing on points of leverage. Recently, we have spent more time cultivating and developing strategic relationships with clients and allocators who invest across multiple investment teams and strategies. These clients and gatekeepers know who we are and trust us as a firm. We are working to build on that trust and deepen those relationships. Our firm-wide, year-to-date net inflows of \$5 billion includes multiple investments from strategic client relationships.

Our investment and distribution operations are enabled by our flexible operating platform. We have methodically developed our people, technology, mobility, and resiliency over long periods of time. We were well prepared for work-from-home, and we have operated extremely well throughout this extended period. We will continue to invest in this critical part of our business.

HIGH VALUE-ADDED INVESTMENTS

	Index Return	Value Added (Net of Fees)	Lipper Fund Rankings		AUM (in \$ billions)
Growth Team					
Global Opportunities (Feb 1, 2007)	5.30%	6.32%	7%	4/62	\$24.5
Global Discovery (September 1, 2017)	7.58%	14.15%	1%	1/120	\$1.3
U.S. Mid-Cap Growth (Apr 1, 1997)	9.94%	5.18%	2%	1/62	\$15.5
U.S. Small-Cap Growth (Apr 1, 1995)	7.89%	3.12%	36%	19/53	\$5.1
Global Equity Team					
Global Equity (Apr 1, 2010)	8.17%	4.46%	24%	17/71	\$2.5
Non-U.S. Growth (Jan 1, 1996)	4.44%	4.57%	5%	1/22	\$20.5
Non-U.S. Small-Mid Growth (Jan 1, 2019)	9.05%	19.57%	14%	5/36	\$5.2
U.S. Value Team					
Value Equity (Jul 1, 2005)	6.51%	0.32%	25%	62/249	\$3.0
U.S. Mid-Cap Value (Apr 1, 1999)	8.69%	1.70%	19%	13/69	\$3.2
International Value Team					
International Value (Jul 1, 2002)	5.57%	4.13%	4%	1/30	\$20.0
Global Value Team					
Global Value (Jul 1, 2007)	4.80%	1.35%	3%	1/46	\$18.2
Select Equity (Mar 1, 2020)	-12.44%	15.09%	—	—	<\$0.1
Sustainable Emerging Markets Team					
Sustainable Emerging Markets (Jul 1, 2006)	-0.31%	5.09%	68%	133/196	\$0.5
Credit Team					
High Income (Apr 1, 2014)	4.55%	1.80%	2%	4/353	\$4.9
Developing World Team					
Developing World (Jul 1, 2015)	4.52%	13.71%	1%	3/549	\$6.9
Antero Peak Group¹					
Antero Peak (May 1, 2017)	12.78%	12.14%	5%	7/164	\$2.1

Sources: Artisan Partners/MSCI/Russell/ICE BoA/S&P. As of September 30, 2020. Index Returns are average annual returns for the benchmark corresponding to each Artisan strategy since the inception date of the Artisan strategy. The benchmarks shown are those most commonly used by our clients to compare the performance of the relevant strategy. The benchmark most commonly used by clients in the U.S. Mid-Cap Growth, U.S. Small Cap Growth, Value Equity, and U.S. Mid-Cap Value strategies is the style benchmark and for all other strategies is the broad benchmark. Value Added (Net of Fees) is the difference between the Artisan strategy's average annual return (net of fees) since inception and the Index Return. Lipper Fund Rankings are based on the performance rankings of the Artisan Partners Fund managed within the respective Artisan strategy for strategies with at least 1 year of investment performance. Private funds are intentionally omitted.

¹Effective October 1, 2020, the Thematic investment team was renamed Antero Peak Group. The team's investment strategies and investment products were also renamed effective October 1, 2020.

HIGH VALUE-ADDED INVESTMENTS

Eric Colson—Chairman, President & Chief Executive Officer, Artisan Partners Asset Management Inc.:

Our long-term investment outcomes are shown on slide five.

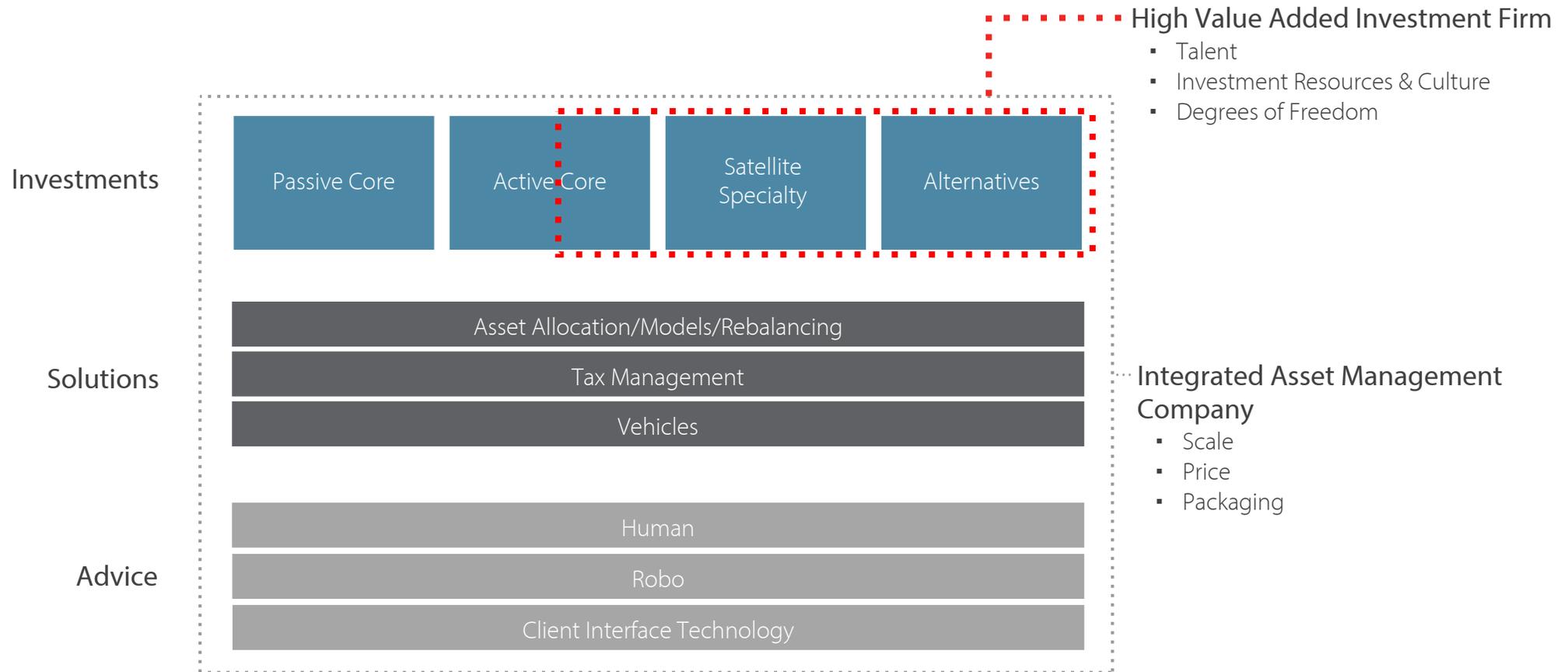
Since inception, 12 of our 18 strategies have outperformed their indexes by more than 300 basis points per year, after fees.

We have generated long-term alpha and outperformed peers in First, Second, and Third Generation strategies.

We have diversified and broadened our sources of alpha, across investment teams, asset classes, and generations.

Our greatest asset, and our greatest source of future growth, is the long-term performance shown on this page, and the people behind it.

INDUSTRY PERSPECTIVE



For illustrative purposes only.

INDUSTRY PERSPECTIVE

Eric Colson—Chairman, President & Chief Executive Officer, Artisan Partners Asset Management Inc.:

Turning to my final slide.

I want to emphasize our focus on thoughtful growth by placing our firm within the larger industry context.

On this slide, we've laid out a simplified model of a horizontally and vertically integrated asset management company. A group that packages together investments, solutions, and advice to deliver a holistic outcome for end clients, often retail clients. These asset managers are intensely focused on scale, packaging, and pricing. Much of the recent industry consolidation is driven by this pursuit of breadth and scale.

There's nothing wrong with this. But it's very different from what we do. And we want to make sure that our clients and other gatekeepers; our people; and our shareholders understand the difference.

Artisan Partners is an investment firm focused on high value-added investing. The red box shows our part of the investment universe. We focus on talent; investment resources and culture; and degrees of freedom. We compete on the quality of our people, our net-of-fee performance, and the trustworthiness of our brand. These are the things we are most focused on. These are the areas where we have a competitive advantage.

As long as we continue to get investments right, there will be multiple ways for us to reach end clients and for us to continue to generate long-term, sustainable outcomes for all of our constituents.

I will now turn it over to C.J. to discuss our third quarter and year to date results.

TRANSPARENT PREDICTABLE FINANCIAL MODEL

Long-Term Approach to Growth

Invest in the business with a focus on sustainable long-term growth

Fee Discipline

Commitment to maintain fee levels supported by value-added strategies

High Variable Costs and Stable Margins

Variable cost structure enhances stability through market volatility

Strong Cash Flow and Conservative Balance Sheet

Modest leverage and strong cash generation provide financial stability

Aligned Interests

Employee incentives aligned with growing and preserving shareholder value

Our financial model has served us well over time and through periods of market volatility.

TRANSPARENT PREDICTABLE FINANCIAL MODEL

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

Thanks, Eric.

Good morning everyone.

I'll start with our financial model principles which are on page seven.

A focus on 'long term growth' requires discipline and patience. The stability of our recurring management fee revenue, coupled with the variable nature of our expenses resulted in increased profitability and operating margins in the September quarter.

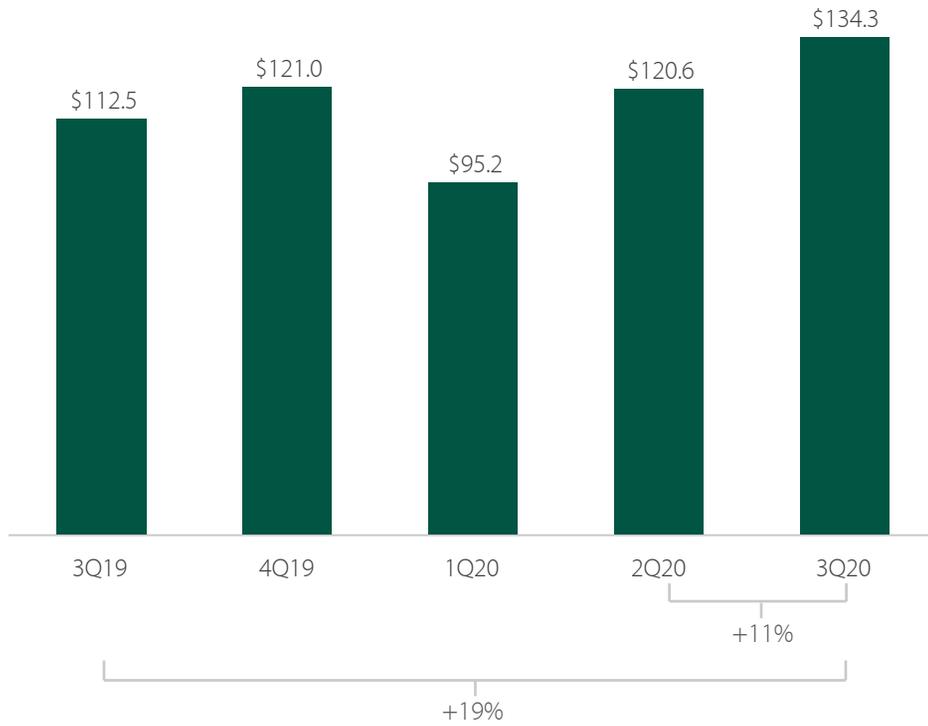
We remain thoughtful about where we focus our time and resources, making targeted investments in talent, distribution, and operations to support sustainable financial outcomes for our shareholders.

We concentrate on compounding client assets by generating excess returns above benchmarks, rather than focusing on net client cash flows.

In 2020 we have been able to achieve both excess performance and net inflows, and the results which follow reflect the success of executing on our model.

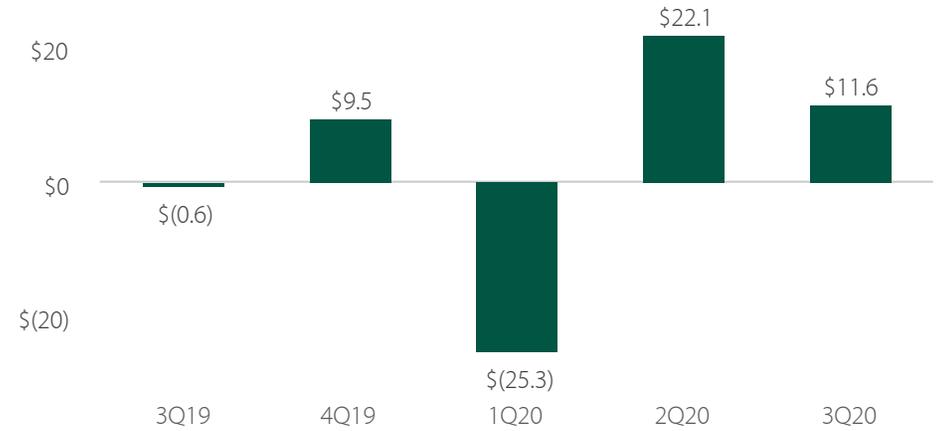
ASSETS UNDER MANAGEMENT (in billions)

Assets Under Management (AUM)

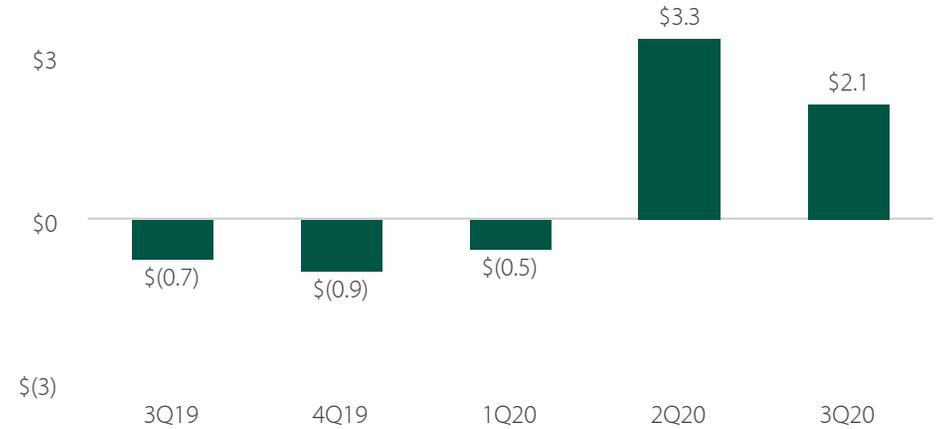


Changes in AUM

Investment Returns and Other



Net Client Cash Flows



Investment Returns and Other includes market and excess returns and other items affecting the amount of our assets under management, excluding the impact of net client cash flows.

ASSETS UNDER MANAGEMENT (in billions)

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

AUM at September 30 was \$134.3 billion, up 11% compared to last quarter and up 19% compared to the September 2019 quarter.

The increase in AUM over the quarter reflected a continued recovery in global equity markets and strong excess returns generated by our investment teams.

In addition, net client cash inflows were \$2.1 billion in the quarter, representing a 7% annualized organic growth rate.

In the current quarter, we continued to see elevated levels of gross client activity driven by both institutional and wealth clients. Flows were driven primarily by large institutional non-US mandates in our second generation strategies and continued strong flows in our third generation strategies.

ASSETS UNDER MANAGEMENT BY GENERATION (\$'s in billions)

Generation	QTD				YTD			
	1st	2nd	3rd	Total	1st	2nd	3rd	Total
Beginning AUM	\$60.9	42.9	16.8	120.6	\$64.8	44.1	12.1	121.0
Gross Client Cash Inflows	2.2	3.2	3.5	8.9	10.8	7.5	8.9	27.2
Gross Client Cash Outflows	-3.6	-2.2	-1.0	-6.8	-13.1	-5.9	-3.2	-22.2
Net client cash flows	-\$1.4	1.0	2.5	2.1	-\$2.3	1.6	5.7	5.0
Investment returns and other	\$4.7	4.8	2.1	11.6	\$1.7	3.0	3.6	8.3
Ending AUM	\$64.2	48.7	21.4	134.3	\$64.2	48.7	21.4	134.3
Annualized Organic Growth Rate	-9 %	+10 %	+59 %	+7 %	-5 %	+5 %	+63 %	+6 %
Ending AUM Growth Rate	+5 %	+13 %	+27 %	+11 %	-1 %	+10 %	+77 %	+11 %
Weighted Average Fee excl. Performance Fees	0.75 %	0.59 %	0.87 %	0.71 %	0.75 %	0.59 %	0.86 %	0.71 %
AUM Mix								
U.S.					99 %	47 %	93 %	79 %
Non-U.S.					1 %	53 %	7 %	21 %
Artisan Funds & Global Funds					54 %	23 %	79 %	47 %
Other Vehicles					46 %	77 %	21 %	53 %
Institutional					63 %	85 %	31 %	66 %
Intermediary					32 %	14 %	63 %	30 %
Retail					5 %	2 %	6 %	4 %

1st Generation represents Artisan U.S. Small-Cap Growth, Non-U.S. Growth, U.S. Mid-Cap Growth, U.S. Mid-Cap Value and International Value strategies. 2nd Generation represents Artisan Value Equity, Sustainable Emerging Markets, Global Opportunities, Global Value and Global Equity strategies. 3rd Generation represents Artisan High Income, Developing World, Antero Peak, Credit Opportunities, Global Discovery, Antero Peak Hedge, Non-U.S. Small-Mid Growth, and Select Equity strategies. The allocation of assets under management by distribution channel involves the use of estimates and the exercise of judgment.

2Q20 CHANGE IN ASSETS UNDER MANAGEMENT BY GENERATION (\$ in billions)

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

The AUM by generation slide, which we have provided in prior quarters, is on slide nine.

AUM across all generations benefited from strong market performance and excess returns during the quarter and year-to date. On a weighted average asset basis our strategies outperformed their respective benchmarks by over 275 bps in the third quarter.

Both second and third generation strategies had net positive flows in the quarter. Third generation strategies now account for 16% of total AUM, up from 14% last quarter as a result of both strong investment performance and organic growth.

ASSETS UNDER MANAGEMENT (in billions)

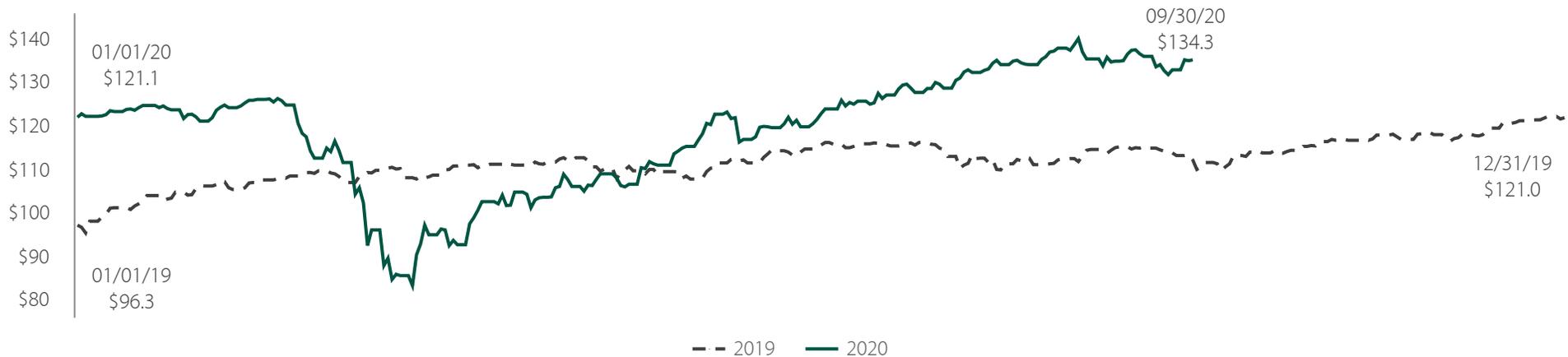
Quarterly Average AUM



YTD Average AUM



Daily AUM



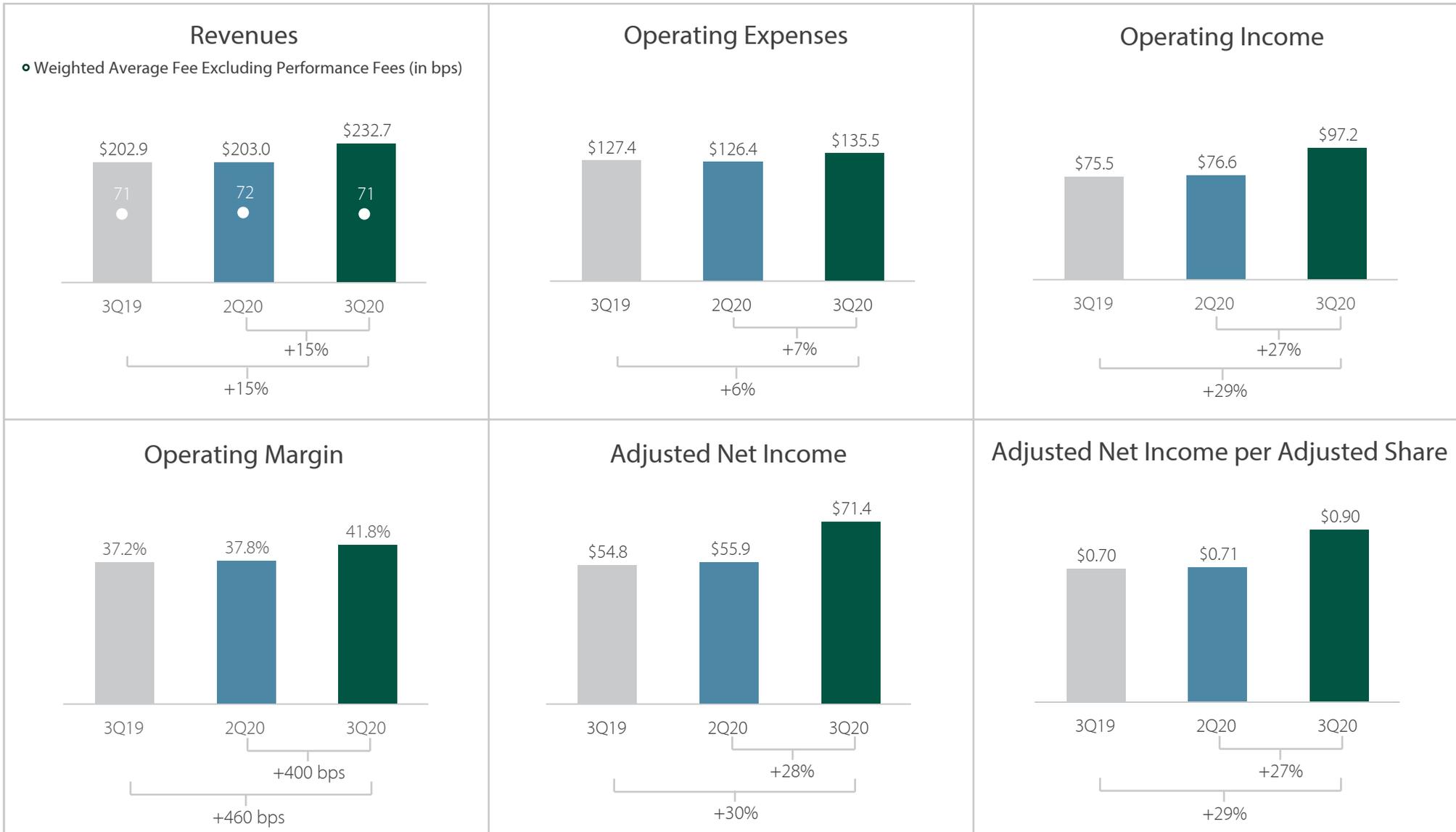
ASSETS UNDER MANAGEMENT (in billions)

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

Average AUM grew 20% in the third quarter compared to the June quarter, and 16% compared to the third quarter of 2019.

Year-to-date Average AUM grew 8% compared to the same period in 2019, despite the significant downturn in global equity markets in the first quarter of 2020.

QUARTERLY FINANCIAL RESULTS (in millions unless otherwise noted)



Weighted average fee is computed as the annualized investment management fees excluding performance fees divided by average assets under management for the applicable period.

Adjusted measures are non-GAAP measures and are explained and reconciled to the comparable GAAP measures in Exhibit 2 of our September 2020 earnings release. GAAP net income was \$58.5, \$46.2, and \$41.3 for the September 2020, June 2020, and September 2019 quarters, respectively. GAAP EPS was \$0.93, \$0.72 and \$0.71 for the September 2020, June 2020, and September 2019 quarters, respectively.

QUARTERLY FINANCIAL RESULTS (in millions unless otherwise noted)

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

Our complete GAAP and adjusted results are presented in our earnings release. My comments on our financial results will focus on adjusted results.

Revenues in the third quarter of 2020 grew 15% and Operating expenses increased 7%, compared to the second quarter of 2020.

Recurring management fees, which exclude performance fees, increased in-line with the increase in average AUM for the quarter.

Expenses increased in the current quarter primarily as a result of variable incentive compensation adjusting to higher levels of revenues. Other expenses continued to be lower, primarily as a result of reduced travel in the current environment.

Our Operating margin in the quarter increased to 41.8% compared to 37.8% last quarter, and 37.2% in the third quarter of 2019.

Adjusted Net Income Per Adjusted Share of \$0.90, grew 27% compared to the previous quarter and 29% from the September 2019 quarter.

YTD FINANCIAL RESULTS (in millions unless otherwise noted)



Weighted average fee is computed as the annualized investment management fees excluding performance fees divided by average assets under management for the applicable period.

Adjusted measures are non-GAAP measures and are explained and reconciled to the comparable GAAP measures in Exhibit 2 of our September 2020 earnings release. GAAP net income was \$139.5 and \$112.0 for the September 2020 and September 2019 YTD periods, respectively. GAAP EPS was \$2.22 and \$1.87 for the September 2020 and September 2019 YTD periods, respectively.

YTD FINANCIAL RESULTS (in millions unless otherwise noted)

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

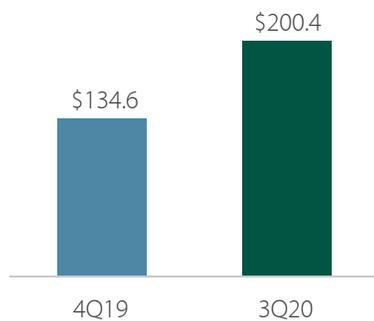
Year-to-date, revenues were up 8% on higher average AUM and an increase in performance fees.

Operating income grew 20% and our year-to-date operating margin was 38.3%, an improvement over 34.6% in 2019.

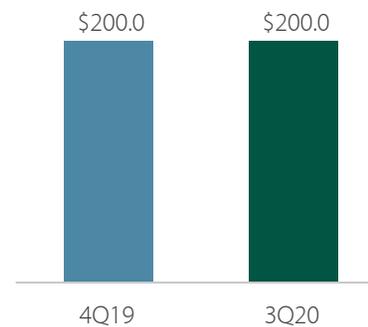
Adjusted net income per adjusted share was \$2.27, up 18% compared to the same year-to-date period in 2019.

BALANCE SHEET AS OF SEPTEMBER 30, 2020 (in millions)

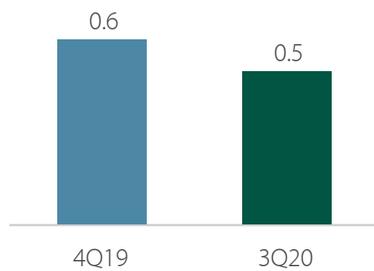
Cash



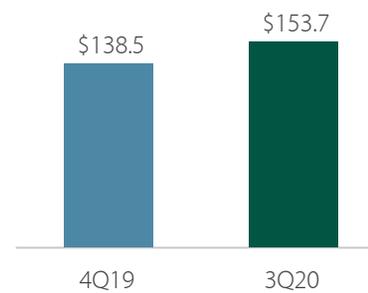
Borrowings



Leverage Ratio ¹



Equity



¹ Calculated in accordance with debt agreements.

BALANCE SHEET AS OF SEPTEMBER 30, 2020 (in millions)

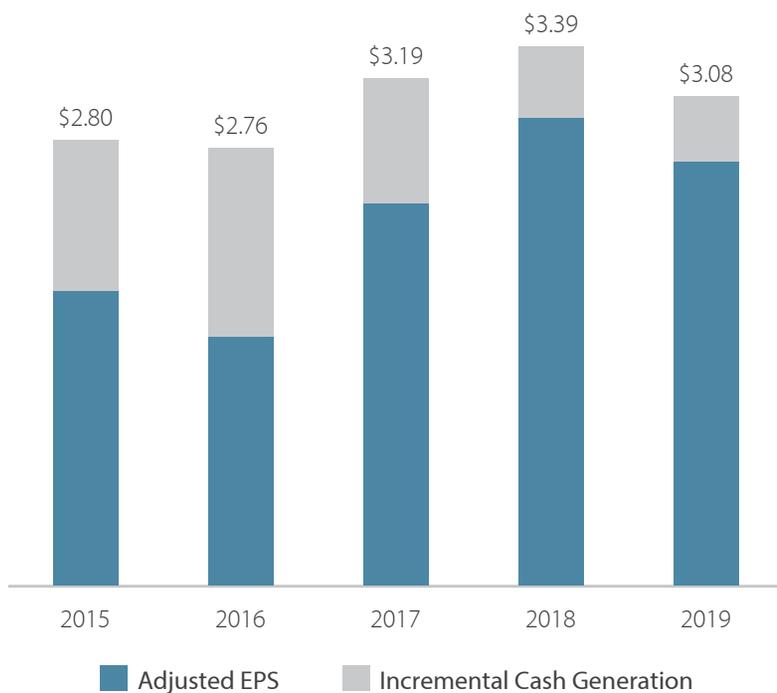
Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

Key balance sheet metrics are on slide 13.

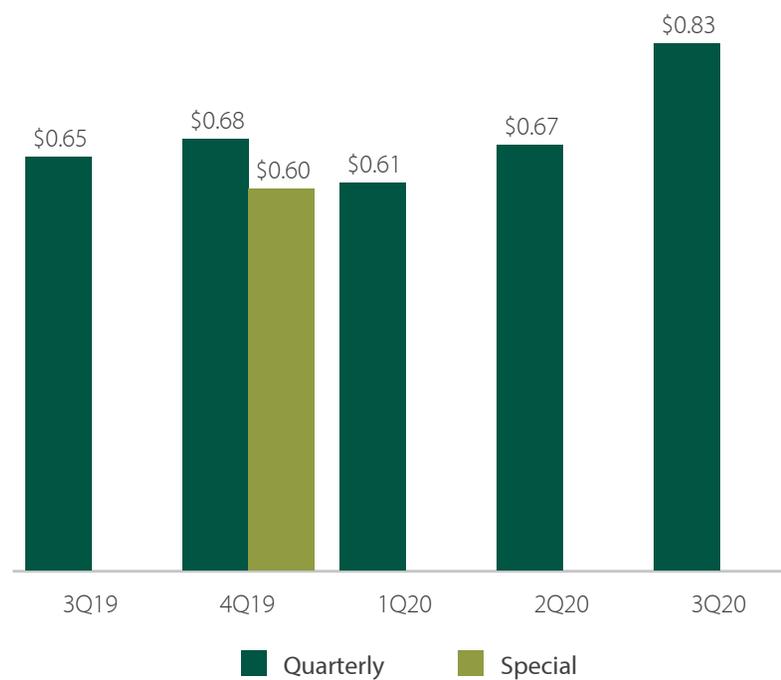
Our balance sheet remains healthy. We maintain approximately \$100 million of excess cash to fund operations, seed new products, and make continued investments. In addition, we maintain an undrawn line of credit of \$100 million.

DIVIDENDS

Total Dividends - Last Five Years



Dividends - Last Five Quarters



The historical dividend amounts shown represent the dividends paid or declared with respect to the respective years or periods and therefore include dividends paid or declared in periods after the respective years or periods. "Incremental Cash Generation" equals the difference between dividends paid or declared for the period and Adjusted EPS for the period. GAAP EPS for the periods shown was \$1.86, \$1.57, \$0.75, \$2.84 and \$2.65 for 2015, 2016, 2017, 2018 and 2019, respectively.

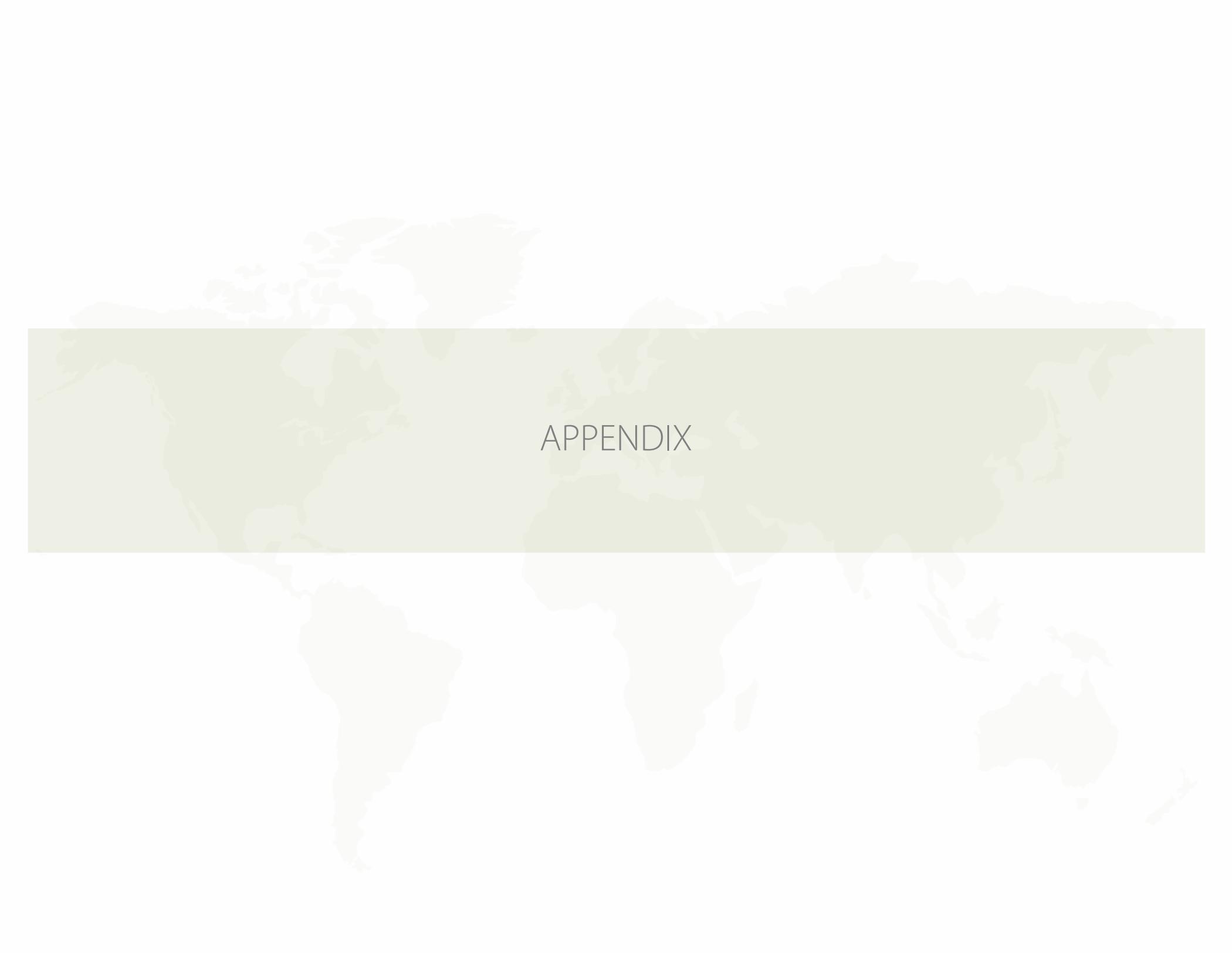
DIVIDENDS

Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

Our Board of Directors has declared a cash dividend of \$0.83 per share with respect to the third quarter of 2020. The \$0.83 per share is consistent with our policy to distribute approximately 80% of the cash generated each quarter, and it represents an annualized yield of approximately 7.5% before consideration of the special annual dividend. As in prior years, in January, following the end of our fiscal year, our Board will consider the distribution of a portion of the retained cash generated in 2020 in the form of a special annual dividend. Each year when determining the amount of the special annual dividend, the board will consider the amount of cash needed for general corporate purposes, investments in growth, and strategic initiatives, as well as the current market environment.

Looking forward to next quarter's results. Our US mutual funds make their required annual income and capital gains distributions in the fourth quarter. The majority of these distributions are reinvested, but some clients choose not to reinvest. We estimate that the total cash outflows in the fourth quarter resulting from distributions that are not reinvested will be approximately \$450 million. We intend to break this amount out separately in our AUM rollforwards next quarter.

That concludes my comments and we look forward to your questions. I will now turn the call back to the operator.



APPENDIX

RECONCILIATION OF GAAP TO NON-GAAP (“ADJUSTED”) MEASURES (in millions)

	Three Months Ended			Nine Months Ended	
	Sept. 30, 2020	June 30, 2020	Sept. 30, 2019	Sept. 30, 2020	Sept. 30, 2019
Net income attributable to Artisan Partners Asset Management Inc. (GAAP)	\$58.5	\$46.2	\$41.3	\$139.5	\$112.0
Add back: Net income attributable to noncontrolling interests - APH	21.5	18.2	20.5	55.8	57.6
Add back: Provision for income taxes	18.5	16.2	(7.3)	44.2	13.6
Add back: Net (gain) loss on the tax receivable agreements	(0.2)	—	19.6	(0.2)	19.6
Add back: Net investment (gain) loss of investment products attributable to APAM	(3.7)	(6.6)	(0.9)	(2.2)	(5.8)
Less: Adjusted provision for income taxes	23.2	18.1	18.4	58.1	47.5
Adjusted net income (Non-GAAP)	\$71.4	\$55.9	\$54.8	\$179.0	\$149.5
Average shares outstanding (in millions)					
Class A common shares	56.4	55.9	51.4	55.2	51.0
Assumed vesting or exchange of:					
Unvested restricted share-based awards	5.4	5.4	5.1	5.3	5.0
Artisan Partners Holdings LP units outstanding (non-controlling interest)	17.2	17.7	21.6	18.3	21.9
Adjusted shares	79.0	79.0	78.1	78.8	77.9
Basic and diluted earnings per share (GAAP)	\$0.93	\$0.72	\$0.71	\$2.22	\$1.87
Adjusted net income per adjusted share (Non-GAAP)	\$0.90	\$0.71	\$0.70	\$2.27	\$1.92

DETAILS OF COMPENSATION & BENEFITS EXPENSE (in millions)

	For the Three Months Ended						For the Nine Months Ended			
	Sept. 30, 2020	% of Rev.	June 30, 2020	% of Rev.	Sept. 30, 2019	% of Rev.	Sept. 30, 2020	% of Rev.	Sept. 30, 2019	% of Rev.
Salary	\$16.8	7.2 %	\$16.6	8.2 %	\$16.2	8.0 %	\$50.0	7.8 %	\$47.8	8.1 %
Incentive Compensation	76.0	32.7	69.2	34.1	67.0	33.0	213.2	33.4	195.9	33.2
Benefits & Payroll Taxes	6.8	2.9	7.3	3.6	6.7	3.3	25.0	3.9	23.5	4.0
Equity Based Compensation	9.1	3.9	9.1	4.5	9.9	4.9	27.4	4.3	33.4	5.7
Total Compensation and Benefits	\$108.7	46.7 %	\$102.2	50.3 %	\$99.8	49.2 %	\$315.6	49.4 %	\$300.6	50.9 %

LONG-TERM INVESTMENT RESULTS (GROSS OF FEES)

As of September 30, 2020	Average Annual Total Returns (Gross)						Average Annual Value-Added
	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Inception	Since Inception (bps)
Growth Team							
Global Opportunities Strategy	40.16 %	19.01 %	19.50 %	15.32 %	16.28 %	12.56 %	726
MSCI All Country World Index	10.44 %	7.11 %	10.29 %	7.84 %	8.54 %	5.30 %	
Global Discovery Strategy	39.36 %	23.05 %	--	---	--	22.90 %	1532
MSCI All Country World Index	10.44 %	7.11 %	--	---	--	7.58 %	
U.S. Mid-Cap Growth Strategy	46.50 %	24.15 %	18.88 %	15.01 %	16.91 %	16.20 %	626
Russell® Midcap Index	4.55 %	7.13 %	10.12 %	9.36 %	11.75 %	9.94 %	
Russell® Midcap Growth Index	23.23 %	16.21 %	15.51 %	13.24 %	14.54 %	9.94 %	
U.S. Small-Cap Growth Strategy	41.20 %	25.75 %	21.68 %	15.98 %	18.86 %	12.10 %	421
Russell® 2000 Index	0.39 %	1.77 %	7.99 %	6.42 %	9.84 %	8.57 %	
Russell® 2000 Growth Index	15.71 %	8.17 %	11.41 %	9.22 %	12.33 %	7.89 %	
Global Equity Team							
Global Equity Strategy	22.79 %	16.24 %	15.57 %	12.42 %	14.20 %	13.74 %	557
MSCI All Country World Index	10.44 %	7.11 %	10.29 %	7.84 %	8.54 %	8.17 %	
Non-U.S. Growth Strategy	7.53 %	6.95 %	8.84 %	5.91 %	8.38 %	10.02 %	558
MSCI EAFE Index	0.49 %	0.62 %	5.26 %	3.01 %	4.61 %	4.44 %	
Non-U.S. Small-Mid Growth Strategy	29.81 %	--	--	---	--	29.95 %	2090
MSCI All Country World Index Ex USA Small Mid Cap (Net)	4.88 %	--	--	---	--	9.05 %	
U.S. Value Team							
Value Equity Strategy	0.86 %	3.49 %	10.50 %	7.37 %	10.04 %	7.65 %	114
Russell® 1000 Index	16.01 %	12.36 %	14.08 %	12.53 %	13.74 %	9.39 %	
Russell® 1000 Value Index	(5.03)%	2.63 %	7.65 %	7.35 %	9.94 %	6.51 %	
U.S. Mid-Cap Value Strategy	(7.69)%	(0.04)%	6.07 %	4.38 %	8.64 %	11.43 %	274
Russell® Midcap Index	4.55 %	7.13 %	10.12 %	9.36 %	11.75 %	9.10 %	
Russell® Midcap Value Index	(7.30)%	0.82 %	6.37 %	6.62 %	9.71 %	8.69 %	
International Value Team							
International Value Strategy	(1.53)%	(0.27)%	5.96 %	4.76 %	8.26 %	10.73 %	516
MSCI EAFE Index	0.49 %	0.62 %	5.26 %	3.01 %	4.61 %	5.57 %	
Global Value Team							
Global Value Strategy	(4.47)%	0.48 %	6.99 %	6.19 %	9.81 %	7.17 %	237
MSCI All Country World Index	10.44 %	7.11 %	10.29 %	7.84 %	8.54 %	4.80 %	
Select Equity Strategy	--	--	--	---	--	3.10 %	-1199
S&P 500 Market Index	--	--	--	---	--	15.09 %	
Sustainable Emerging Markets Team							
Sustainable Emerging Markets Strategy	11.30 %	4.31 %	13.12 %	6.40 %	3.04 %	5.88 %	79
MSCI Emerging Markets Index	10.54 %	2.42 %	8.96 %	3.74 %	2.50 %	5.09 %	
Credit Team							
High Income Strategy	6.14 %	5.88 %	8.23 %	— %	--	7.10 %	255
ICE BofA US High Yield Master II Total Return Index	2.30 %	3.83 %	6.60 %	— %	--	4.55 %	
Developing World Team							
Developing World Strategy	72.93 %	24.32 %	24.93 %	— %	--	19.46 %	1494
MSCI Emerging Markets Index	10.54 %	2.42 %	8.96 %	— %	--	4.52 %	
Antero Peak Group¹							
Antero Peak Strategy	22.92 %	23.56 %	--	— %	--	26.15 %	1337
S&P 500 Market Index (Total Return)	15.15 %	12.27 %	--	— %	--	12.78 %	

Source: Artisan Partners/MSCI/Russell/ICE BofA. Average Annual Total Returns presents composite (gross of fees) performance for each strategy. Value Added compares returns of the composite to its benchmark. Periods less than one year are not annualized. Performance for Artisan Antero Peak Hedge and Credit Opportunities Strategies has been intentionally omitted. See Notes & Disclosures at the end of this presentation for more information about our investment performance.

¹ Effective October 1, 2020, the Thematic investment team was renamed Antero Peak Group. The team's investment strategies and investment products were also renamed effective October 1, 2020.

LONG-TERM INVESTMENT RESULTS (NET OF FEES)

As of September 30, 2020	Average Annual Total Returns (Net)						Average Annual Value-Added
	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Inception	Since Inception (bps)
Growth Team							
Global Opportunities Strategy	39.03 %	18.03 %	18.51 %	14.34 %	15.29 %	11.62 %	632
MSCI All Country World Index	10.44 %	7.11 %	10.29 %	7.84 %	8.54 %	5.30 %	
Global Discovery Strategy	38.04 %	21.87 %	---	---	---	21.73 %	1415
MSCI All Country World Index	10.44 %	7.11 %	---	---	---	7.58 %	
U.S. Mid-Cap Growth Strategy	45.18 %	23.02 %	17.79 %	13.96 %	15.84 %	15.12 %	518
Russell® Midcap Index	4.55 %	7.13 %	10.12 %	9.36 %	11.75 %	9.94 %	
Russell® Midcap Growth Index	23.23 %	16.21 %	15.51 %	13.24 %	14.54 %	9.94 %	
U.S. Small-Cap Growth Strategy	39.83 %	24.52 %	20.49 %	14.84 %	17.70 %	11.01 %	312
Russell® 2000 Index	0.39 %	1.77 %	7.99 %	6.42 %	9.84 %	8.57 %	
Russell® 2000 Growth Index	15.71 %	8.17 %	11.41 %	9.22 %	12.33 %	7.89 %	
Global Equity Team							
Global Equity Strategy	21.70 %	15.14 %	14.46 %	11.33 %	13.09 %	12.63 %	446
MSCI All Country World Index	10.44 %	7.11 %	10.29 %	7.84 %	8.54 %	8.17 %	
Non-U.S. Growth Strategy	6.56 %	5.98 %	7.86 %	4.95 %	7.40 %	9.01 %	457
MSCI EAFE Index	0.49 %	0.62 %	5.26 %	3.01 %	4.61 %	4.44 %	
Non-U.S. Small-Mid Growth Strategy	28.49 %	---	---	---	---	28.62 %	1957
MSCI All Country World Index Ex USA Small Mid Cap (Net)	4.88 %	---	---	---	---	9.05 %	
U.S. Value Team							
Value Equity Strategy	0.17 %	2.78 %	9.74 %	6.63 %	9.28 %	6.83 %	32
Russell® 1000 Index	16.01 %	12.36 %	14.08 %	12.53 %	13.74 %	9.39 %	
Russell® 1000 Value Index	(5.03)%	2.63 %	7.65 %	7.35 %	9.94 %	6.51 %	
U.S. Mid-Cap Value Strategy	(8.56)%	(0.97)%	5.09 %	3.41 %	7.63 %	10.39 %	170
Russell® Midcap Index	4.55 %	7.13 %	10.12 %	9.36 %	11.75 %	9.10 %	
Russell® Midcap Value Index	(7.30)%	0.82 %	6.37 %	6.62 %	9.71 %	8.69 %	
International Value Team							
International Value Strategy	(2.44)%	(1.19)%	4.98 %	3.79 %	7.26 %	9.70 %	413
MSCI EAFE Index	0.49 %	0.62 %	5.26 %	3.01 %	4.61 %	5.57 %	
Global Value Team							
Global Value Strategy	(5.39)%	(0.48)%	5.97 %	5.18 %	8.76 %	6.15 %	135
MSCI All Country World Index	10.44 %	7.11 %	10.29 %	7.84 %	8.54 %	4.80 %	
Select Equity Strategy	---	---	---	---	---	2.65 %	-1244
S&P 500 Market Index	---	---	---	---	---	15.09 %	
Sustainable Emerging Markets Team							
Sustainable Emerging Markets Strategy	10.20 %	3.28 %	11.99 %	5.32 %	1.99 %	4.78 %	-31
MSCI Emerging Markets Index	10.54 %	2.42 %	8.96 %	3.74 %	2.50 %	5.09 %	
Credit Team							
High Income Strategy	5.41 %	5.15 %	7.48 %	---	---	6.35 %	180
ICE BofA US High Yield Master II Total Return Index	2.30 %	3.83 %	6.60 %	---	---	4.55 %	
Developing World Team							
Developing World Strategy	71.20 %	23.05 %	23.65 %	---	---	18.23 %	1371
MSCI Emerging Markets Index	10.54 %	2.42 %	8.96 %	---	---	4.52 %	
Antero Peak Group¹							
Antero Peak Strategy	21.71 %	22.36 %	---	---	---	24.92 %	1214
S&P 500 Market Index (Total Return)	15.15 %	12.27 %	---	---	---	12.78 %	

Source: Artisan Partners/MSCI/Russell/ICE BofA. Average Annual Total Returns presents composite (net of fees) performance for each strategy. Value Added compares returns of the composite to its benchmark. Periods less than one year are not annualized. Performance for Artisan Antero Peak Hedge and Credit Opportunities Strategies has been intentionally omitted. See Notes & Disclosures at the end of this presentation for more information about our investment performance.

¹ Effective October 1, 2020, the Thematic investment team was renamed Antero Peak Group. The team's investment strategies and investment products were also renamed effective October 1, 2020.

NOTES & DISCLOSURES

Forward-Looking Statements

Certain statements in this release, and other written or oral statements made by or on behalf of the Company, are “forward-looking statements” within the meaning of the federal securities laws. Statements regarding future events and our future performance, as well as management’s current expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements within the meaning of these laws. These forward-looking statements are only predictions based on current expectations and projections about future events. These forward-looking statements are subject to a number of risks and uncertainties, and there are important factors that could cause actual results, level of activity, performance, actions or achievements to differ materially from the results, level of activity, performance, actions or achievements expressed or implied by the forward-looking statements. These factors include: the loss of key investment professionals or senior management, adverse market or economic conditions, poor performance of our investment strategies, change in the legislative and regulatory environment in which we operate, operational or technical errors or other damage to our reputation and other factors disclosed in the Company’s filings with the Securities and Exchange Commission, including those factors listed under the caption entitled “Risk Factors” in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2019, filed with the SEC on February 18, 2020, as such factors may be updated from time to time. Our periodic and current reports are accessible on the SEC’s website at www.sec.gov. The Company undertakes no obligation to update any forward-looking statements in order to reflect events or circumstances that may arise after the date of this release.

Investment Performance

We measure the results of our “composites”, which represent the aggregate performance of all discretionary client accounts, including pooled funds, invested in the same strategy except those accounts with respect to which we believe client-imposed restrictions may have a material impact on portfolio construction and those accounts managed in a currency other than U.S. dollars (the results of these accounts, which represented approximately 10% of our assets under management at September 30, 2020, are maintained in separate composites, which are not presented in these materials). Certain composites may also only reflect data of a single account managed by Artisan.

Results for any investment strategy described herein, and for different investment products within a strategy, are affected by numerous factors, including different material market or economic conditions; different investment management fee rates, brokerage commissions and other expenses; and the reinvestment of dividends or other earnings. The returns for any strategy may be positive or negative, and past performance does not guarantee future results.

Unless otherwise noted, composite returns have been presented gross of investment advisory fees applied to client accounts, but include applicable trade commissions and transaction costs. Management fees, when reflected, would reduce the results presented for an investor in an account managed within a composite. Net-of-fees composite returns presented in these materials 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. Index returns do not reflect the payment of fees and expenses. Certain Artisan composite returns may be represented by a single account.

The Overall Lipper Ranking for a fund is derived from the ranking of each fund’s since inception return by Lipper, Inc. The ratings which form the basis for the information reflected in this presentation, and the fund categories in which they are rated, relating to each Fund’s Investor Share Class are: Artisan Developing World Fund—Emerging Markets; Artisan Sustainable Emerging Markets Fund—Emerging Markets; Artisan Global Equity Fund—Global Multi-Cap Growth; Artisan Global Discovery Fund—Global Small/Mid-Cap; Artisan Global Opportunities Fund—Global Multi-Cap Growth; Artisan Global Value Fund—Global Multi-Cap Value; Artisan High Income Fund—High Yield; Artisan International Fund—International Large-Cap Growth; Artisan International Small-Mid Fund—International Small/Mid-Cap Growth; Artisan International Value Fund—International Large-Cap Core; Artisan Mid Cap Fund—Multi-Cap Growth; Artisan Mid Cap Value Fund—Mid-Cap Core; Artisan Small Cap Fund—Small-Cap Growth; Artisan Value Fund—Multi-Cap Value; Artisan Focus Fund (formerly Artisan Thematic Fund)—Global Large-Cap Growth.

In this material, we include historical nominations and winners of Morningstar’s Fund Manager of the Year Awards in the US. Established in 1988, the Morningstar Fund Manager of the Year award recognizes portfolio managers who demonstrate excellent investment skill and the courage to differ from the consensus to benefit investors. To qualify for the award, managers’ funds must have not only posted impressive returns for the year, but the managers also must have a record of delivering outstanding long-term risk-adjusted performance and of aligning their interests with shareholders’. Beginning in 2012, nominated funds must be Morningstar Medalists—a fund that has garnered a Morningstar Analyst Rating™ of Gold, Silver or Bronze. The Fund Manager of the Year award winners are chosen based on Morningstar’s proprietary research and in-depth qualitative evaluation by its manager research analysts. Morningstar Inc.’s awards are based on qualitative evaluation and research, thus subjective in nature and should not be used as the sole basis for investment decisions. Morningstar’s awards are not guarantees of a fund’s future investment performance. Morningstar, Inc. does not sponsor, issue, sell or promote any open-end mutual funds including the Artisan Partners Funds.

Financial Information

Throughout these materials, we present historical information about our assets under management and our average assets under management for certain periods. We use our information management systems to track our assets under management and we believe the information in these materials regarding our assets under management is accurate in all material respects. We also present information regarding the amount of our assets under management sourced through particular distribution channels. The allocation of assets under management sourced through particular distribution channels involves estimates and the exercise of judgment. We have presented the information on our assets under management sourced by distribution channel in the way in which we prepare and use that information in the management of our business. Data sourced by distribution channel on our assets under management are not subject to our internal controls over financial reporting.

NOTES & DISCLOSURES

Rounding

Any discrepancies included in these materials between totals and the sums of the amounts listed are due to rounding.

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Presentation

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