

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 OR 15(d) of  
The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): April 29, 2014**

**Artisan Partners Asset Management Inc.**

*(Exact name of registrant as specified in its charter)*

**Delaware**

*(State or other jurisdiction of  
incorporation or organization)*

**001-35826**

*(Commission file number)*

**45-0969585**

*(I.R.S. Employer  
Identification No.)*

**875 E. Wisconsin Avenue, Suite 800  
Milwaukee, WI 53202**

*(Address of principal executive offices and zip code)*

**(414) 390-6100**

*(Registrant's telephone number, including area code)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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**Item 2.02 Results of Operations and Financial Condition**

On April 29, 2014, Artisan Partners Asset Management Inc. (the "Company") issued a press release and presentation materials announcing certain consolidated financial and operating results for the three months ended March 31, 2014. Copies of the press release and the presentation materials are attached hereto as Exhibit 99.1 and Exhibit 99.2, respectively, and are incorporated herein by reference.

The information furnished in this Item 2.02, including the exhibits incorporated herein by reference, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

Exhibit Number	Description of Exhibit
99.1	Press Release of Artisan Partners Asset Management Inc. dated April 29, 2014
99.2	March Quarter 2014 Presentation of Artisan Partners Asset Management Inc.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: April 29, 2014

Artisan Partners Asset Management Inc.

By: /s/ Charles J. Daley, Jr.  
Name: Charles J. Daley, Jr.  
Executive Vice President, Chief  
Title: Financial Officer and Treasurer

## Artisan Partners Asset Management Inc. Reports 1Q14 Results

Milwaukee, WI - April 29, 2014 - Artisan Partners Asset Management Inc. (NYSE: APAM) (the “Company” or “Artisan Partners”) today reported its results for the quarter ended March 31, 2014, including net income and earnings per share for the period.

“During the first quarter, we had several developments that highlight the benefits of and our commitment to a high value-added investment focus. We received recognition from several prestigious industry organizations for the quality of our investment results, because of demand for our Global Value team’s strategies we closed our Global Value strategy to most new mutual fund investors, in addition to most new separate account clients and we successfully launched our fourteenth strategy, Artisan Partners High Income,” Eric Colson, President and CEO, said.

### Business Update

Mr. Colson noted, “As of March 31, 2014, 8 of our 11 investment strategies (excluding strategies launched within the last five years) had added value relative to their broad performance benchmarks over the trailing 5-year period and since each strategy’s inception. All seven of our investment strategies with a 10-year track record have added value over the trailing 10-year period. In addition, more than 90% of our assets under management were in strategies outperforming the respective benchmarks over the trailing 3-year and 10-year periods and since each strategy’s inception. Over the last five years, our U.S. Mid-Cap Value, U.S. Small-Cap Value and Emerging Markets strategies have participated strongly in the bull market, but each trails its benchmark for that period.

“The quality of our long-term investment results was highlighted by the announcement of several industry awards for our investment teams. Our Global Value team won Morningstar’s International-Stock Fund Manager of the Year for 2013 in the U.S. and received a Lipper Fund Award. Our Global Equity team was also nominated for Morningstar’s International-Stock Fund Manager of the Year for 2013 in the U.S. and received a Lipper Fund Award. Our Growth Team was named Mid Cap Growth Equity Investment Manager of the Year by Institutional Investor. We value this type of recognition because the awards recognize the benefits of our business model -- high value-added investing with experienced investment professionals.

“Our business development results in the first quarter were diversified but biased towards commingled vehicles. Four of our five distribution channels and four of our six investment teams experienced positive client cash flows in the quarter. The broker dealer channel has remained an area of strength. The institutional channel has experienced outflows primarily as a result of asset allocation policy decisions, our commitment to fee discipline and performance. Across teams, our Global Equity and Global Value teams were standouts. Ongoing demand for our Global Value strategy led to a further closing to protect the alpha potential of the strategy over the long-term.

“Financial results across our primary financial metrics were consistent with our expectations. Organic growth remained solid and drove asset growth along with market appreciation. A healthy operating margin translated to an improvement in adjusted earnings.

“The development of investment products at our firm and our search for new investment talent continue to be driven by the secular trends of globalization and investment policy evolution. Both trends are resulting in growing interest in cost conscious, benchmark-constrained ‘beta’ products and unconstrained, value-added ‘alpha’ products. We are not a scale or price competitive ‘beta’ manager. We emphasize ‘alpha’ and value creation. As a result, we believe in creating more investment freedom in our products. This is evidenced by the shorter list of investment constraints we have in the products we have launched over the last seven years. Our newest strategy, Artisan Partners High Income, is designed in a way that is consistent with that evolution. As we interview investment talent and discuss product extensions for all of our teams we expect to emphasize value creation and investment freedom.”

## March Quarter of 2014 Highlights

- Assets under management (“AUM”) of \$107.4 billion at March 31, 2014
- Net client cash inflows of \$1.4 billion (excluding \$141 million transferred out during the quarter and reinvested in April of 2014)
- GAAP operating income of \$67.2 million and operating margin of 33.3%
- GAAP net income of \$8.6 million or \$2.29 loss per basic and diluted share
- Adjusted<sup>1</sup> operating income of \$90.9 million and adjusted<sup>1</sup> operating margin of 45.1%
- Adjusted<sup>1</sup> net income of \$56.0 million or \$0.78 per adjusted<sup>1</sup> share

The table below presents AUM and a comparison of certain GAAP and non-GAAP (“adjusted”) financial measures.

	For the Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
	(unaudited, in millions except per share amounts or as otherwise noted)		
<b>Assets Under Management (amounts in billions)</b>			
Ending	\$ 107.4	\$ 105.5	\$ 83.2
Average	106.2	101.0	79.2
<b>Consolidated Financial Results (GAAP)</b>			
Revenues	\$ 201.8	\$ 197.6	\$ 148.2
Operating income (loss)	67.2	58.4	(421.3)
Operating margin	33.3%	29.6%	(284.3)%
Net income attributable to Artisan Partners Asset Management Inc. <sup>2</sup>	8.6	10.1	3.0
Basic and diluted earnings per share	(2.29)	(3.04)	0.19
<b>Adjusted<sup>1</sup> Financial Results</b>			
Adjusted operating income	\$ 90.9	\$ 84.7	\$ 54.9
Adjusted operating margin	45.1%	42.9%	37.0 %
Adjusted EBITDA <sup>3</sup>	\$ 91.3	\$ 90.7	\$ 55.6
Adjusted net income	56.0	55.0	33.2
Adjusted earnings per adjusted share	\$ 0.78	\$ 0.77	\$ 0.47

<sup>1</sup> Adjusted measures are non-GAAP measures and are explained and reconciled to the comparable GAAP measures in Exhibit 2.

<sup>2</sup> The Company became the general partner of Artisan Partners Holdings on March 12, 2013. Prior to that time none of the net income of Artisan Partners Holdings was allocated to the Company.

<sup>3</sup> EBITDA represents earnings before interest, tax, depreciation and amortization expense.

## **Assets Under Management Increased to \$107.4 billion**

Our AUM increased to \$107.4 billion at March 31, 2014, an increase of \$1.9 billion, or 1.8%, compared to \$105.5 billion at December 31, 2013 as a result of \$1.4 billion in net client cash inflows and \$648 million of market appreciation. Compared to March 31, 2013, AUM increased \$24.2 billion, or 29.1%, due to \$17.9 billion in market appreciation and \$6.4 billion of net client cash inflows.

Average AUM for the March quarter of 2014 was \$106.2 billion, an increase of 5.1% compared to average AUM for the December quarter of 2013 of \$101.0 billion and a 34.1% increase from the average of \$79.2 billion for the March quarter of 2013.

March 31, 2014 AUM includes \$722 million of outflows resulting from a separate account client termination in late March. The pension fund client communicated that the termination was a result of its decision to consolidate assets with a smaller number of managers and reduce its overall cost structure. The termination is evidence that our flows will be lumpy over time and also reflects our commitment to fee discipline which is one of the cornerstones of our financial model. Over the long-term our financial model has been critical to our ability to attract and retain investment talent, deliver strong financial results and produce a stable and diverse business able to weather various market environments.

## **March Quarter of 2014 Compared to December Quarter of 2013**

GAAP net income was \$8.6 million, or \$2.29 loss per basic and diluted share, in the March quarter of 2014 compared to net income of \$10.1 million, or \$3.04 loss per basic and diluted share, in the December quarter of 2013. Net income per basic and diluted share was negatively impacted in both periods by our purchase of shares of our convertible preferred stock and subsidiary preferred equity for an amount greater than the carrying value of the repurchased equity. Adjusted net income was \$56.0 million, or \$0.78 per adjusted share, in the March quarter of 2014 compared to adjusted net income of \$55.0 million, or \$0.77 per adjusted share, in the December quarter of 2013. Included in adjusted net income for the December quarter of 2013 was a net benefit of \$1.3 million (\$5.1 million investment earnings net of related compensation expense and income taxes) from the sale of investments held in connection with the pre-IPO retention award for investment teams that ended on December 31, 2013. The net gain contributed \$0.02 to adjusted net income per adjusted share in the December quarter of 2013.

- Revenues of \$201.8 million in the March quarter of 2014 increased \$4.2 million from \$197.6 million in the December quarter of 2013 primarily due to higher average AUM as a result of net client cash inflows and market appreciation.
- Operating expenses of \$134.6 million in the March quarter of 2014 decreased \$4.6 million from \$139.2 million in the December quarter of 2013 driven primarily by a \$2.5 million decrease in offering related proxy expenses and a decrease in compensation and benefits expense. Compensation and benefits expense for the December quarter of 2013 included \$3.3 million of cash retention and severance expenses.
- GAAP operating margin was 33.3% for the March quarter of 2014 compared to 29.6% for the December quarter of 2013.
- Adjusted operating margin was 45.1% for the March quarter of 2014 compared to 42.9% for the December quarter of 2013 as a result of higher revenues and lower compensation and benefits expense, which resulted primarily from the termination of the pre-IPO retention award.

### March Quarter of 2014 Compared to March Quarter of 2013

GAAP net income was \$8.6 million, or \$2.29 loss per basic and diluted share, in the March quarter of 2014 compared to net income of \$3.0 million, or \$0.19 per basic and diluted share, in the March quarter of 2013. Net income per basic and diluted share was negatively impacted in the March quarter of 2014 by our purchase of shares of our convertible preferred stock and subsidiary preferred equity for an amount greater than the carrying value of the repurchased equity. Adjusted net income was \$56.0 million, or \$0.78 per adjusted share, in the March quarter of 2014 compared to adjusted net income of \$33.2 million, or \$0.47 per adjusted share, in the March quarter of 2013.

- Revenues of \$201.8 million in the March quarter of 2014 increased \$53.6 million from \$148.2 million in the March quarter of 2013 primarily due to higher average AUM as a result of market appreciation and net client cash inflows.
- Operating expenses of \$134.6 million in the March quarter of 2014 decreased \$434.9 million from \$569.5 million in the March quarter of 2013 resulting primarily from a decrease in pre-offering related compensation expense. The decrease was partially offset by increased non-offering related compensation and benefits expense in the March quarter of 2014, which increased due to higher bonuses, most of which are directly linked to our revenue growth as well as expense related to restricted shares awarded to employees in the third quarter of 2013. Compensation and benefits expense for the March quarter of 2013 included \$9.3 million of cash retention and severance expenses.
- GAAP operating margin was 33.3% for the March quarter of 2014 compared to a negative margin of 284.3% in the March quarter of 2013 as a result of pre-offering related compensation expense.
- Adjusted operating margin was 45.1% for the March quarter of 2014 compared to 37.0% for the March quarter of 2013. The increase in adjusted operating margin was the result of higher revenues and lower cash retention and severance expenses (including lower expense related to the pre-IPO retention award), partially offset by increased other compensation and benefits. Adjusted operating margin was negatively impacted in the March quarter of 2014 by approximately 210 basis points due to increased compensation and benefits expense resulting from restricted shares awarded to employees during the third quarter of 2013.

### Capital Management

Cash and cash equivalents were \$208.4 million at March 31, 2014, compared to \$211.8 million at December 31, 2013. During the March quarter of 2014, the Company paid a special annual dividend in addition to a quarterly dividend. The Company had total borrowings of \$200.0 million at March 31, 2014 and December 31, 2013. On March 12, 2014, the Company completed an offering of 9,284,337 shares of Class A common stock and utilized all the net proceeds to purchase 6,284,337 common units and 2,256,883 preferred units of Artisan Partners Holdings and 743,117 shares of convertible preferred stock.

Total stockholders' equity was \$119.6 million at March 31, 2014, compared to \$132.3 million at December 31, 2013. The Company had 29.1 million shares of Class A common stock outstanding and 0.5 million shares of convertible preferred stock outstanding at March 31, 2014.

The Company's debt leverage ratio, calculated in accordance with its loan agreements, was 0.6X at March 31, 2014.

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## CONFERENCE CALL

The Company will host a conference call on April 30, 2014, at 10:00 a.m. (Eastern Time) to discuss these results. Hosting the call will be Eric Colson, Chief Executive Officer, and C.J. Daley, Chief Financial Officer. The call will be webcast and can be accessed via the investor relations section of [artisanpartners.com](http://artisanpartners.com). Listeners may also access the call by dialing 866.652.5200 or 412.317.6060 for international callers; the conference ID is 10042833. A replay of the call will be available until May 8, 2014 at 9:00 a.m. (Eastern Time), by dialing 877.344.7529 or 412.317.0088 for international callers; the replay conference ID is 10042833. In addition, the webcast will be available on the Company's website.

## FORWARD-LOOKING STATEMENTS AND OTHER DISCLOSURES

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 developments 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 or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. Among the important factors that could cause actual results, level of activity, performance or achievements to differ materially from those indicated by such forward-looking statements are: fluctuations in quarterly and annual results, incurrence of net losses, adverse effects of management focusing on implementation of a growth strategy, failure to develop and maintain the Artisan Partners brand 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, 2013, filed with the SEC on February 26, 2014. 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.

We post updated AUM information under the Financial Information section of our Investor Relations website ([www.apam.com](http://www.apam.com)) after the conclusion of the seventh NYSE trading day of each month.

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

Lipper, Morningstar and Institutional Investor awards are not affiliated with, and provide awards independently of, Artisan Partners. Qualification for the respective award is based on the historical returns achieved by one or more of the investment products managed by the recipient investment team and may also include subjective or objective criteria considered by the respective award provider. Past performance does not guarantee future results. None of the information in these materials constitutes either an offer or a solicitation to buy or sell any fund securities, nor is any such information a recommendation for any fund security or investment service.

## ABOUT ARTISAN PARTNERS

Artisan Partners is an independent investment management firm focused on providing high value-added, active investment strategies to sophisticated clients globally. Since 1994, the firm has been committed to attracting experienced, disciplined investment professionals to manage client assets. Artisan Partners has six autonomous investment teams that oversee fourteen distinct U.S., non-U.S. and global investment strategies. Each strategy is offered through multiple investment vehicles to accommodate a broad range of client mandates. The firm's principal offices are located in Milwaukee, San Francisco, Atlanta, New York, Kansas City and London.

### Artisan Partners Asset Management Inc.

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**Artisan Partners Asset Management Inc.**  
**Consolidated Statements of Operations**  
(unaudited; in millions, except per share amounts or as noted)

	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
<b>Revenues</b>			
Management fees			
Artisan Funds & Artisan Global Funds	\$ 139.8	\$ 133.8	\$ 99.5
Separate accounts	62.0	61.3	48.7
Performance fees	—	2.5	—
<b>Total revenues</b>	<b>201.8</b>	<b>197.6</b>	<b>148.2</b>
<b>Operating expenses</b>			
Compensation and benefits	85.9	87.8	72.7
Pre-offering related compensation - share-based awards	23.6	23.7	333.2
Pre-offering related compensation - other	—	—	143.0
Total compensation and benefits	109.5	111.5	548.9
Distribution and marketing	11.1	11.3	8.2
Occupancy	2.7	2.7	2.6
Communication and technology	4.5	4.1	3.3
General and administrative	6.8	9.6	6.5
<b>Total operating expenses</b>	<b>134.6</b>	<b>139.2</b>	<b>569.5</b>
<b>Operating income (loss)</b>	<b>67.2</b>	<b>58.4</b>	<b>(421.3)</b>
Interest expense	(2.9)	(2.9)	(3.2)
Net gain on the valuation of contingent value rights	—	9.3	24.8
Net gain (loss) of Launch Equity	(0.6)	1.6	4.8
Net investment income	—	5.1	—
Other non-operating income (loss)	(0.3)	—	—
<b>Total non-operating income (loss)</b>	<b>(3.8)</b>	<b>13.1</b>	<b>26.4</b>
<b>Income (loss) before income taxes</b>	<b>63.4</b>	<b>71.5</b>	<b>(394.9)</b>
Provision for income taxes	11.2	9.3	4.4
<b>Net income (loss) before noncontrolling interests</b>	<b>52.2</b>	<b>62.2</b>	<b>(399.3)</b>
Less: Net income (loss) attributable to noncontrolling interests - Artisan Partners Holdings LP	44.2	50.5	(407.1)
Less: Net income (loss) attributable to noncontrolling interests - Launch Equity	(0.6)	1.6	4.8
<b>Net income attributable to Artisan Partners Asset Management Inc.</b>	<b>\$ 8.6</b>	<b>\$ 10.1</b>	<b>\$ 3.0</b>
<b>Basic and diluted earnings (loss) per share - Class A common shares</b>	<b>\$ (2.29)</b>	<b>\$ (3.04)</b>	<b>\$ 0.19</b>
<b>Average shares outstanding</b>			
Class A common shares	20.2	16.1	12.7
Unvested restricted shares	1.6	1.6	—
Convertible preferred shares	1.0	1.7	2.6
Total average shares outstanding	22.8	19.4	15.3

**Artisan Partners Asset Management Inc.**  
**Reconciliation of GAAP to Non-GAAP (“Adjusted”) Measures**  
(unaudited; in millions, except per share amounts or as noted)

	Three Months Ended		
	March 31, 2014	December 31, 2013	March 31, 2013
<b>Net income attributable to Artisan Partners Asset Management Inc. (GAAP)</b>	<b>\$ 8.6</b>	<b>\$ 10.1</b>	<b>\$ 3.0</b>
Add back: Net income (loss) attributable to noncontrolling interests - Artisan Partners Holdings LP	44.2	50.5	(407.1)
Add back: Provision for income taxes	11.2	9.3	4.4
Add back: Pre-offering related compensation - share-based awards	23.6	23.7	333.2
Add back: Pre-offering related compensation - other	—	—	143.0
Add back: Offering related proxy expense	0.1	2.6	—
Less: Net gain on the valuation of contingent value rights	—	9.3	24.8
Less: Adjusted provision for income taxes	31.7	31.9	18.5
<b>Adjusted net income (Non-GAAP)</b>	<b>\$ 56.0</b>	<b>\$ 55.0</b>	<b>\$ 33.2</b>
<b>Average shares outstanding</b>			
Class A common shares	20.2	16.1	12.7
Assumed vesting, conversion or exchange of:			
Unvested restricted shares	1.6	1.6	—
Convertible preferred shares outstanding	1.0	1.7	2.6
Artisan Partners Holdings LP units outstanding (non-controlling interest)	48.7	52.1	54.7
<b>Adjusted shares</b>	<b>71.5</b>	<b>71.5</b>	<b>70.0</b>
<b>Adjusted net income per adjusted share (Non-GAAP)</b>	<b>\$ 0.78</b>	<b>\$ 0.77</b>	<b>\$ 0.47</b>
<b>Operating income (loss) (GAAP)</b>	<b>\$ 67.2</b>	<b>\$ 58.4</b>	<b>\$ (421.3)</b>
Add back: Pre-offering related compensation - share-based awards	23.6	23.7	333.2
Add back: Pre-offering related compensation - other	—	—	143.0
Add back: Offering related proxy expense	0.1	2.6	—
<b>Adjusted operating income (Non-GAAP)</b>	<b>\$ 90.9</b>	<b>\$ 84.7</b>	<b>\$ 54.9</b>
<b>Adjusted operating margin (Non-GAAP)</b>	<b>45.1%</b>	<b>42.9%</b>	<b>37.0%</b>
<b>Net income attributable to Artisan Partners Asset Management Inc. (GAAP)</b>	<b>\$ 8.6</b>	<b>\$ 10.1</b>	<b>\$ 3.0</b>
Add back: Net income (loss) attributable to noncontrolling interests - Artisan Partners Holdings LP	44.2	50.5	(407.1)
Add back: Pre-offering related compensation - share-based awards	23.6	23.7	333.2
Add back: Pre-offering related compensation - other	—	—	143.0
Add back: Offering related proxy expense	0.1	2.6	—
Less: Net gain on the valuation of contingent value rights	—	9.3	24.8
Add back: Interest expense	2.9	2.9	3.2
Add back: Provision for income taxes	11.2	9.3	4.4
Add back: Depreciation and amortization	0.7	0.9	0.7
<b>Adjusted EBITDA (Non-GAAP)</b>	<b>\$ 91.3</b>	<b>\$ 90.7</b>	<b>\$ 55.6</b>

The Company's management uses non-GAAP measures (referred to as "adjusted" measures) of net income and operating income to evaluate the profitability and efficiency of the underlying operations of the business and as a factor when considering net income available for distributions and dividends. These adjusted measures remove the impact of (1) pre-offering related compensation (as described below), (2) offering related proxy expense (as described below), (3) the net gain (loss) on the valuation of contingent value rights, and (4) adjustments to remove the non-operational complexities of the Company's structure by adding back non-controlling interests and assuming all income of Artisan Partners Holdings is allocated to the Company. Management believes these non-GAAP measures provide more meaningful information to analyze the Company's profitability and efficiency between periods and over time. The Company has included these non-GAAP measures to provide investors with the same financial metrics used by management to manage the Company.

Non-GAAP measures should be considered in addition to, and not as a substitute for, financial measures prepared in accordance with GAAP. The Company's non-GAAP measures may differ from similar measures used by other companies, even if similar terms are used to identify such measures. The Company's non-GAAP measures are as follows:

- *Adjusted net income* represents net income excluding the impact of (1) pre-offering related compensation, as defined below, (2) offering related proxy expense, as defined below, and (3) net gain (loss) on the valuation of contingent value rights, and reflects income taxes as if all outstanding limited partnership units of Artisan Partners Holdings and all shares of the Company's convertible preferred stock were exchanged for or converted into Class A common stock of the Company on a one-for-one basis. Assuming the full exchange and conversion, all income of Artisan Partners Holdings is treated as if it were allocated to the Company, and the adjusted provision for income taxes represents an estimate of income tax expense at an effective rate reflecting assumed federal, state, and local income taxes. The estimated effective tax rate was 36.2%, 36.1% and 35.8% for the three months ended March 31, 2014, December 31, 2013 and March 31, 2013, respectively. The impact of the change in the 2013 estimated tax rate from 35.8% to 36.1% is reflected in adjusted net income for the three months ended December 31, 2013.
- *Adjusted net income per adjusted share* is calculated by dividing adjusted net income (loss) by adjusted shares. The number of adjusted shares is derived by assuming the vesting of all unvested shares of Class A common stock, the exchange of all outstanding limited partnership units of Artisan Partners Holdings and the conversion of all outstanding shares of the Company's convertible preferred stock for or into Class A common stock of the Company on a one-for-one basis.
- *Adjusted operating income* represents the operating income (loss) of the consolidated company excluding offering related proxy expense and pre-offering related compensation.
- *Adjusted operating margin* is calculated by dividing adjusted operating income (loss) by total revenues.
- *Adjusted EBITDA* represents income (loss) before income taxes, interest expense and depreciation and amortization, adjusted to exclude the impact of net income (loss) attributable to non-controlling interests, offering related proxy expense, pre-offering related compensation, as defined below, and the net gain (loss) on the valuation of contingent value rights.
- For the three months ended March 31, 2014 and December 31, 2013, *pre-offering related compensation* includes the amortization of unvested Class B common units of Artisan Partners Holdings that were granted before the Company's initial public offering, which closed on March 12, 2013. For the three months ended March 31, 2013, *pre-offering related compensation* includes (1) expense resulting from cash incentive compensation payments triggered by the IPO and expense associated with the reallocation of post-IPO profits from certain pre-IPO partners to employee-partners, (2) one-time expense, resulting from the modification of the Class B common unit awards at the time of the IPO, based on the difference between the carrying value of the liability associated with the vested Class B common units immediately prior to the IPO and the value based on the offering price per share of Class A common stock in the IPO, (3) the amortization of unvested Class B common units of Artisan Partners Holdings that were granted prior to the IPO, (4) distributions to the Class B partners of Artisan Partners Holdings, (5) redemptions of Class B common units and (6) changes in the value of Class B liability awards during the period.
- For the three months ended March 31, 2014 and December 31, 2013, *offering related proxy expense* includes costs incurred as a result of the change of control (for purposes of the Investment Company Act and Investment Advisers Act) which occurred on March 12, 2014. We incurred costs through the first quarter of 2014 to solicit the necessary approvals and consents from the boards and shareholders of the mutual funds that we advise or sub-advise and from our separate accounts clients, which were necessary because of the change of control.

**Artisan Partners Asset Management Inc.**  
**Condensed Consolidated Statements of Financial Condition**  
(unaudited; in millions)

	As of	
	March 31, 2014	December 31, 2013
<b>Assets</b>		
Cash and cash equivalents	\$ 208.4	\$ 211.8
Accounts receivable	62.2	64.1
Investment securities	17.9	7.8
Deferred tax assets	474.8	187.9
Assets of Launch Equity	90.8	89.9
Other	23.0	19.9
<b>Total assets</b>	<b>\$ 877.1</b>	<b>\$ 581.4</b>
<b>Liabilities and equity</b>		
Accounts payable, accrued expenses, and other	\$ 113.2	\$ 48.9
Borrowings	200.0	200.0
Amounts payable under tax receivable agreements	405.2	160.7
Liabilities of Launch Equity	39.1	39.5
Total liabilities	757.5	449.1
Total equity	119.6	132.3
<b>Total liabilities and equity</b>	<b>\$ 877.1</b>	<b>\$ 581.4</b>

**Artisan Partners Asset Management Inc.**  
**Assets Under Management**  
(unaudited; in millions)

	For the Three Months Ended			% Change from	
	March 31, 2014	December 31, 2013	March 31, 2013	December 31, 2013	March 31, 2013
Beginning assets under management	\$ 105,477	\$ 96,931	\$ 74,334	8.8 %	41.9 %
Gross client cash inflows	6,639	5,623	6,324	18.1 %	5.0 %
Gross client cash outflows	(5,226)	(4,142)	(4,138)	(26.2)%	(26.3)%
Net client cash flows	1,413	1,481	2,186	(4.6)%	(35.4)%
Market appreciation (depreciation)	648	7,065	6,658	(90.8)%	(90.3)%
Net transfers <sup>1</sup>	(141)	—	—	100.0 %	100.0 %
Ending assets under management	<u>\$ 107,397</u>	<u>\$ 105,477</u>	<u>\$ 83,178</u>	<u>1.8 %</u>	<u>29.1 %</u>
Average assets under management	<u>\$ 106,172</u>	<u>\$ 101,005</u>	<u>\$ 79,152</u>	<u>5.1 %</u>	<u>34.1 %</u>

<sup>1</sup> Net transfers represent certain amounts that we have identified as having been transferred out of one investment strategy or investment vehicle and into another strategy or vehicle. The \$141 million transferred out of one strategy in the first quarter was transferred back into another strategy in early April 2014.

**Artisan Partners Asset Management Inc.**  
**Assets Under Management by Investment Team and Vehicle**  
(unaudited; in millions)

Three Months Ended	By Investment Team							By Vehicle		
	Global Equity	U.S. Value	Growth	Global Value	Emerging Markets	Credit	Total	Artisan Funds & Artisan Global Funds	Separate Accounts	Total
<b>March 31, 2014</b>										
Beginning assets under management	\$ 27,317	\$ 23,024	\$ 22,433	\$ 30,957	\$ 1,746	\$ —	\$ 105,477	\$ 59,881	\$ 45,596	\$ 105,477
Gross client cash inflows	2,622	850	1,389	1,688	14	76	6,639	5,503	1,136	6,639
Gross client cash outflows	(979)	(2,163)	(897)	(795)	(392)	—	(5,226)	(3,179)	(2,047)	(5,226)
Net client cash flows	1,643	(1,313)	492	893	(378)	76	1,413	2,324	(911)	1,413
Market appreciation (depreciation)	(356)	340	419	286	(41)	—	648	305	343	648
Net transfers <sup>1</sup>	—	—	—	(141)	—	—	(141)	(35)	(106)	(141)
Ending assets under management	\$ 28,604	\$ 22,051	\$ 23,344	\$ 31,995	\$ 1,327	\$ 76	\$ 107,397	\$ 62,475	\$ 44,922	\$ 107,397
Average assets under management <sup>2</sup>	\$ 27,715	\$ 22,388	\$ 23,290	\$ 31,306	\$ 1,464	\$ 62	\$ 106,172	\$ 60,761	\$ 45,411	\$ 106,172
<b>December 31, 2013</b>										
Beginning assets under management	\$ 24,761	\$ 21,421	\$ 21,044	\$ 27,976	\$ 1,729	\$ —	\$ 96,931	\$ 54,489	\$ 42,442	\$ 96,931
Gross client cash inflows	1,634	1,213	1,128	1,613	35	—	5,623	4,342	1,281	5,623
Gross client cash outflows	(981)	(1,175)	(972)	(950)	(64)	—	(4,142)	(2,834)	(1,308)	(4,142)
Net client cash flows	653	38	156	663	(29)	—	1,481	1,508	(27)	1,481
Market appreciation (depreciation)	1,903	1,565	1,303	2,248	46	—	7,065	3,884	3,181	7,065
Net transfers	—	—	(70)	70	—	—	—	—	—	—
Ending assets under management	\$ 27,317	\$ 23,024	\$ 22,433	\$ 30,957	\$ 1,746	\$ —	\$ 105,477	\$ 59,881	\$ 45,596	\$ 105,477
Average assets under management	\$ 25,926	\$ 22,353	\$ 21,549	\$ 29,402	\$ 1,775	\$ —	\$ 101,005	\$ 57,018	\$ 43,987	\$ 101,005
<b>March 31, 2013</b>										
Beginning assets under management	\$ 20,092	\$ 16,722	\$ 14,692	\$ 19,886	\$ 2,942	\$ —	\$ 74,334	\$ 39,603	\$ 34,731	\$ 74,334
Gross client cash inflows	1,540	1,116	1,410	1,994	264	—	6,324	4,570	1,754	6,324
Gross client cash outflows	(908)	(924)	(569)	(343)	(1,394)	—	(4,138)	(2,222)	(1,916)	(4,138)
Net client cash flows	632	192	841	1,651	(1,130)	—	2,186	2,348	(162)	2,186
Market appreciation (depreciation)	1,358	2,334	1,336	1,677	(47)	—	6,658	3,733	2,925	6,658
Net transfers	—	—	—	—	—	—	—	—	—	—
Ending assets under management	\$ 22,082	\$ 19,248	\$ 16,869	\$ 23,214	\$ 1,765	\$ —	\$ 83,178	\$ 45,684	\$ 37,494	\$ 83,178
Average assets under management	\$ 21,270	\$ 18,157	\$ 16,144	\$ 21,720	\$ 1,861	\$ —	\$ 79,152	\$ 43,205	\$ 35,947	\$ 79,152

<sup>1</sup> Net transfers represent certain amounts that we have identified as having been transferred out of one investment strategy or investment vehicle and into another strategy or vehicle. The \$141 million transferred out of one strategy in the first quarter was transferred back into another strategy in early April 2014.

<sup>2</sup> For the Credit team, average assets under management is for the period between March 19, 2014, when the team's strategy began investment operations, and March 31, 2014.

**Artisan Partners Asset Management Inc.**  
**Investment Strategy AUM and Gross Composite Performance <sup>1</sup>**  
**As of March 31, 2014**  
**(unaudited)**

	Inception	Strategy AUM	Value-Added <sup>2</sup> (bps)				
Investment Team and Strategy	Date	(in \$MM)	1 YR	3 YR	5 YR	10 YR	Inception
Global Equity Team							
Non-U.S. Growth Strategy	1/1/1996	\$ 26,324	(1)	557	400	287	648
Non-U.S. Small-Cap Growth Strategy	1/1/2002	\$ 1,819	312	624	445	571	544
Global Equity Strategy	4/1/2010	\$ 304	123	803	N/A	N/A	648
Global Small-Cap Growth Strategy	7/1/2013	\$ 157	N/A	N/A	N/A	N/A	225
U.S. Value Team							
U.S. Mid-Cap Value Strategy	4/1/1999	\$ 15,916	(320)	108	(93)	283	569
U.S. Small-Cap Value Strategy	6/1/1997	\$ 4,048	(619)	(578)	(343)	187	470
Value Equity Strategy	7/1/2005	\$ 2,087	(521)	(60)	45	N/A	69
Growth Team							
U.S. Mid-Cap Growth Strategy	4/1/1997	\$ 17,228	756	241	213	242	617
U.S. Small-Cap Growth Strategy	4/1/1995	\$ 3,079	424	510	558	190	112
Global Opportunities Strategy	2/1/2007	\$ 2,995	238	502	687	N/A	630
Global Value Team							
Non-U.S. Value Strategy	7/1/2002	\$ 17,161	560	738	770	615	726
Global Value Strategy	7/1/2007	\$ 14,834	776	951	724	N/A	672
Emerging Markets Team							
Emerging Markets Strategy	7/1/2006	\$ 1,326	74	(290)	(153)	N/A	(91)
Credit Team							
High Income Strategy <sup>3</sup>	4/1/2014	\$ 76	N/A	N/A	N/A	N/A	N/A
Total Assets Under Management <sup>4</sup>		\$ 107,397					

<sup>1</sup> We measure the results of our “composites”, which represent the aggregate performance of all discretionary client accounts, including mutual funds, invested in the same strategy except those accounts with respect to which we believe client-imposed socially based 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 8% of our assets under management at March 31, 2014, are maintained in separate composites, which are not presented in these materials).

<sup>2</sup> Value-added is the amount in basis points by which the average annual gross composite return of each of our strategies has outperformed the broad-based market index most commonly used by our clients to compare the performance of the relevant strategy for the periods presented and since its inception date. Value-added for periods less than one year is not annualized. The market indices used to compute the value added since inception date for each of our strategies are as follows: Non-U.S. Growth strategy—MSCI EAFE® Index; Non-U.S. Small-Cap Growth strategy—MSCI EAFE® Small Cap Index; Global Equity strategy—MSCI ACWI® Index; Global Small-Cap Growth strategy—MSCI ACWI® Small Cap Index; U.S. Small-Cap Value strategy—Russell 2000® Index; U.S. Mid-Cap Value strategy—Russell Midcap® Index; Value Equity strategy—Russell 1000® Index; U.S. Mid-Cap Growth strategy—Russell Midcap® Index; Global Opportunities strategy—MSCI ACWI® Index; U.S. Small-Cap Growth strategy—Russell 2000® Index; Non-U.S. Value strategy—MSCI EAFE® Index; Global Value strategy—MSCI ACWI® Index; Emerging Markets strategy—MSCI Emerging Markets Index<sup>SM</sup>.

<sup>3</sup> High Income Strategy’s composite inception date is April 1, 2014 for the purposes of calculating strategy performance. The strategy began investment operations on March 19, 2014.

<sup>4</sup> Includes an additional \$42.5 million in assets managed in a portfolio not currently made available to investors other than our employees to evaluate its potential viability as a strategy to be offered to clients.



ARTISAN PARTNERS ASSET MANAGEMENT

# Artisan Partners Asset Management

BUSINESS UPDATE AND FIRST QUARTER 2014 EARNINGS PRESENTATION



## BUSINESS UPDATE & QUARTERLY RESULTS DISCUSSION

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**Eric R. Colson** is President and Chief Executive Officer of Artisan Partners. Prior to joining the firm in January 2005, Mr. Colson was an executive vice president of Callan Associates, Inc. where he managed the institutional consulting group, providing business and investment advice to asset management firms. Prior to managing the institutional consulting group, he managed Callan's global manager research. Mr. Colson holds a BA in Economics from the University of California-Irvine. Mr. Colson is a Chartered Financial Analyst.

- 21 years of industry experience
- 8 years at Artisan Partners



**Charles (C.J.) Daley, Jr.** is a Managing Director and Chief Financial Officer of Artisan Partners. Prior to joining the firm in July 2010, Mr. Daley was executive vice president, chief financial officer and treasurer of the global asset management firm Legg Mason, Inc. Mr. Daley holds a BS in Accounting from the University of Maryland. He is an inactive Certified Public Accountant.

- 26 years of industry experience
- 3 years at Artisan Partners

## FIRM FACTS

- Founded in 1994; focused on providing high value-added investment strategies
- Six autonomous investment teams managing fourteen investment strategies for sophisticated, institutional investors
- Principal offices in Milwaukee, San Francisco, Atlanta, New York, Kansas City and London, with approximately 319 associates
- Approximately \$107.4 billion under management as of March 31, 2014

### MANAGEMENT TEAM

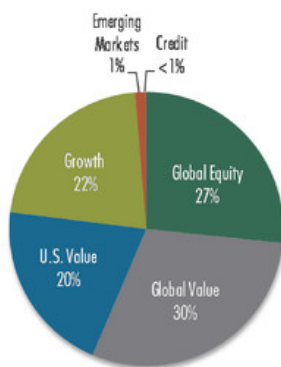
Eric R. Colson  
Chief Executive Officer

Charles (C.J.) Daley, Jr.  
Chief Financial Officer

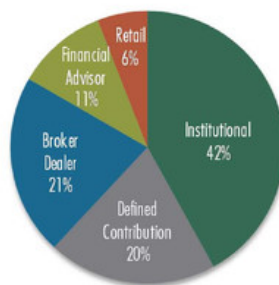
Sarah A. Johnson  
Chief Legal Officer

Dean J. Patenaude  
Head of Global Distribution

AUM by Investment Team



AUM by Distribution Channel<sup>1</sup>



As of March 31, 2014. <sup>1</sup>The allocation of AUM by distribution channel involves the use of estimates and the exercise of judgment.

## LONG-TERM INVESTMENT RESULTS — Full Cycle Return Goals

Process Consistency

Wealth Compounding

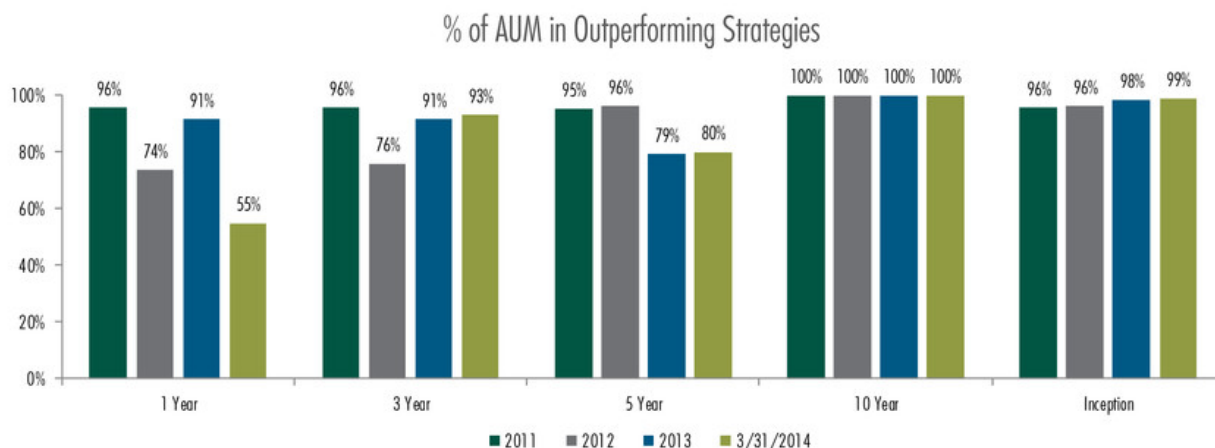
Index  
Outperformance

Peer  
Outperformance

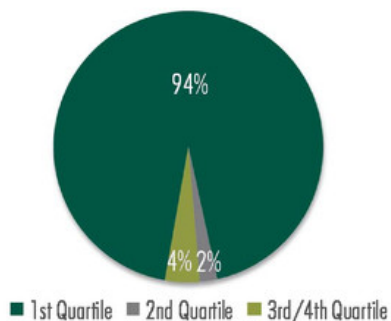
	Strategy Inception	AUM (in billions)	Average Annual Value Added Since Inception <sup>1</sup>
<b>Global Equity Team</b>			
Non-U.S. Growth Strategy	1/1/96	\$ 26.3	6.48%
Non-U.S. Small-Cap Growth Strategy	1/1/02	\$ 1.8	5.44%
Global Equity Strategy	4/1/10	\$ 0.3	6.48%
Global Small-Cap Growth Strategy	7/1/13	\$ 0.2	2.25%
<b>U.S. Value Team</b>			
U.S. Mid-Cap Value Strategy	4/1/99	\$ 15.9	5.69%
U.S. Small-Cap Value Strategy	6/1/97	\$ 4.0	4.70%
Value Equity Strategy	7/1/05	\$ 2.1	0.69%
<b>Growth Team</b>			
U.S. Mid-Cap Growth Strategy	4/1/97	\$ 17.2	6.17%
U.S. Small-Cap Growth Strategy	4/1/95	\$ 3.1	1.12%
Global Opportunities Strategy	2/1/07	\$ 3.0	6.30%
<b>Global Value Team</b>			
Non-U.S. Value Strategy	7/1/02	\$ 17.2	7.26%
Global Value Strategy	7/1/07	\$ 14.8	6.72%
<b>Emerging Markets Team</b>			
Emerging Markets Strategy	7/1/06	\$ 1.3	(0.91%)
<b>Credit Team</b>			
High Income Strategy	4/1/14	\$ 0.1	N/A

Note: Data as of and through March 31, 2014. <sup>1</sup> Value add measures the average annual outperformance or underperformance of the gross composite return of each Artisan Partners strategy compared to its broad-based benchmark. Global Small-Cap Growth strategy performance began on July 1, 2013 and only has a nine month performance track record and value-add percentage has not been annualized. See Notes & Disclosures at the end of this presentation for more information about our investment performance.

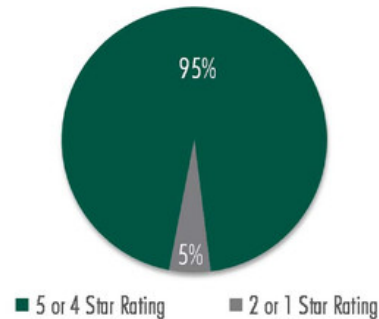
## INVESTMENT PERFORMANCE — Outperformance and Rankings



**% of AUM by Overall Lipper Ranking**

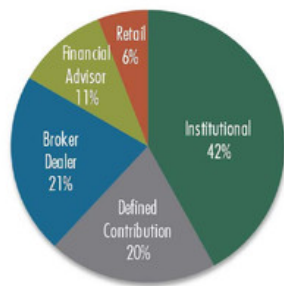


**% of AUM by Overall Morningstar Rating™**

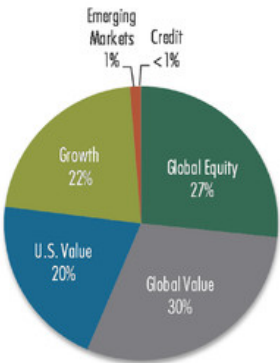


Sources: Artisan Partners/Lipper Inc./Morningstar. % of AUM in Outperforming Strategies at December 31 of each year except as indicated. % of AUM in Outperforming Strategies represents the % of AUM in strategies where gross composite performance had outperformed the benchmark for the average annual periods indicated above and since inception. % of AUM in Outperforming Strategies for each period includes only assets under management in all strategies in operation throughout the period. Lipper rankings and Morningstar Ratings are as of March 31, 2014. Lipper rankings are based on total return, are historical, and do not represent future results. Morningstar ratings are based on risk-adjusted return. The Overall Morningstar Rating for a fund is derived from a weighted average of the performance figures associated with its 3-, 5- and 10-year (if applicable) Morningstar Rating metrics. See Notes & Disclosures at the end of this presentation for more information about our investment performance.

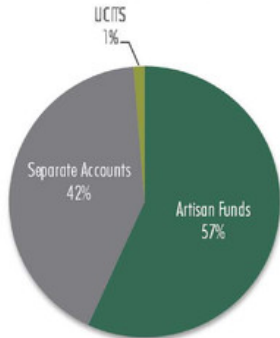
Channel Diversification<sup>1</sup>



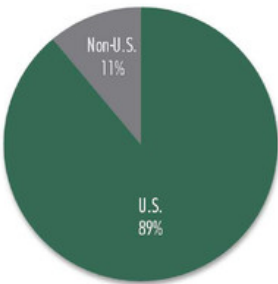
Team Diversification



AUM by Vehicle



AUM by Client Domicile



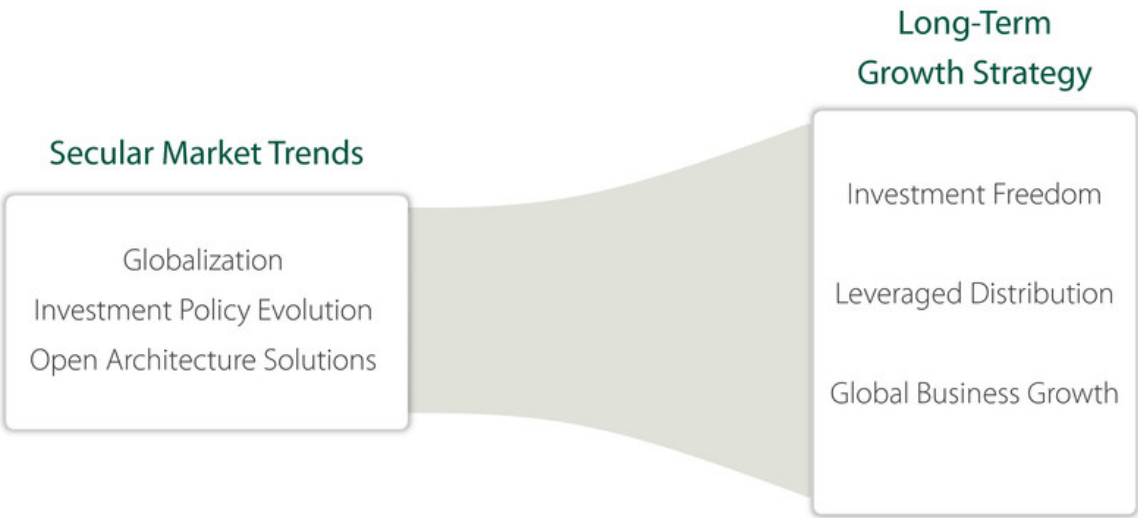
<sup>1</sup> The allocation of AUM by distribution channel involves the use of estimates and the exercise of judgment.

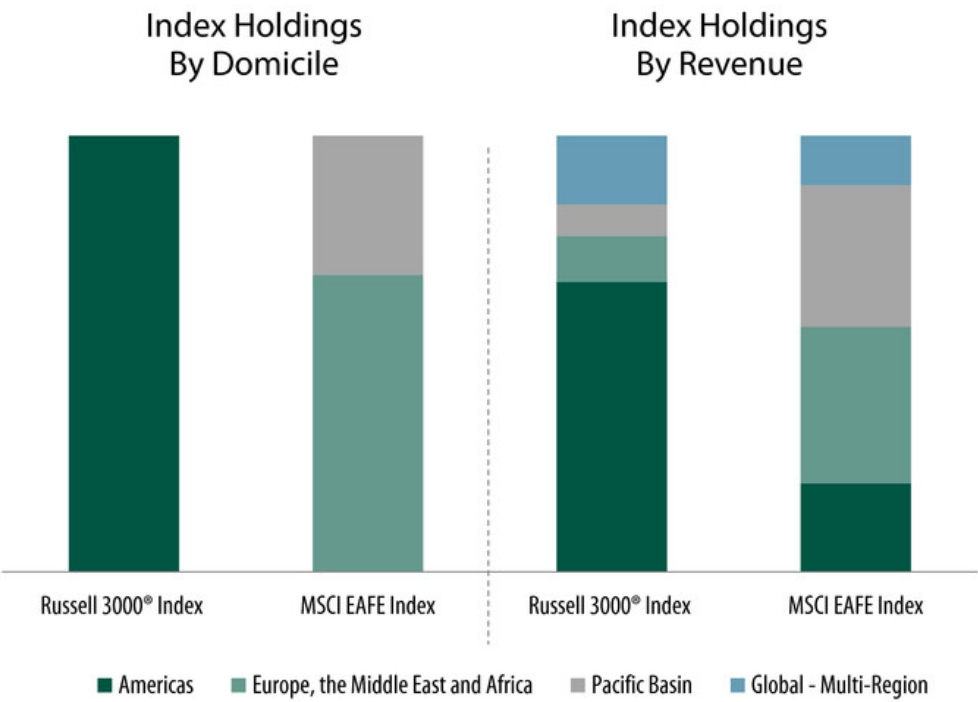
BUSINESS PHILOSOPHY & APPROACH

High Value Added Investment Firm	Talent Driven Business Model	Thoughtful Growth
Active Strategies	Designed for Investment Talent to Thrive	Active Talent Identification
Autonomous Franchises	Managed by Business Professionals	Entrepreneurial Commitment
Proven Results	Structured to Align Interests	Focus on Long-Term Global Demand

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

Management Guideposts





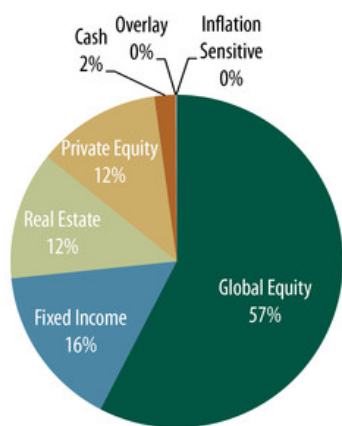
Globalization has created a disparity between domicile and economic reality.

Source: Factset/MSCI/Russell. As of March 31, 2014.

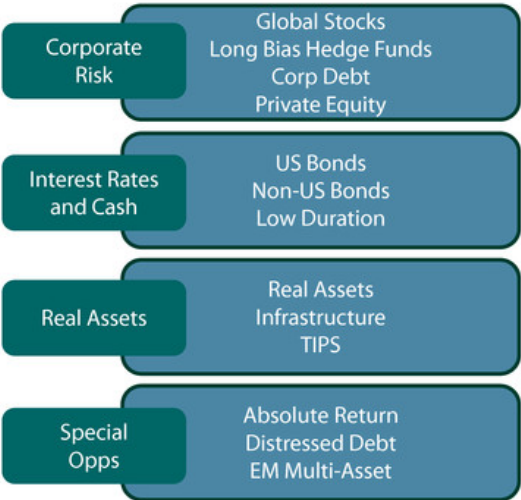


Increasing Degrees of Freedom

CalSTRS Allocation Policy



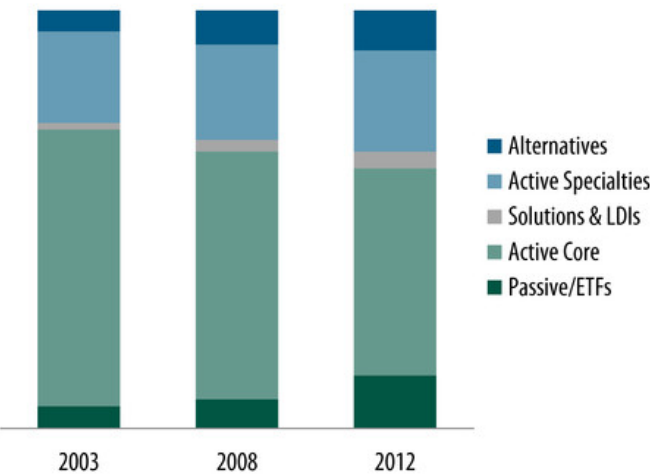
Alaska Permanent Fund – Risk Based Allocation



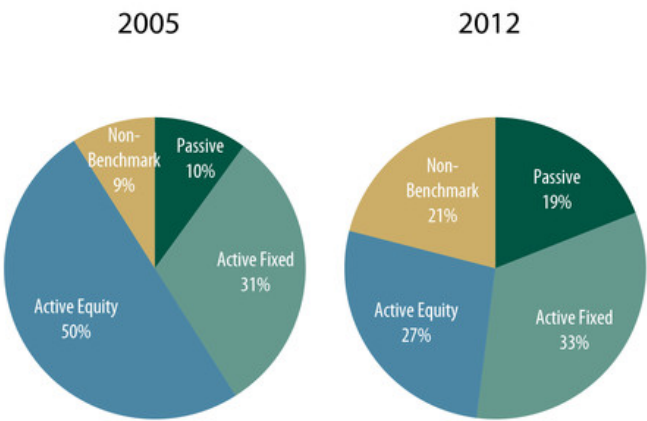
Institutional investment policies are shifting towards global and outcome-oriented approaches.

Sources: CalSTRS: [www.calstrs.com/current-investment-portfolio](http://www.calstrs.com/current-investment-portfolio) / Alaska Perm Fund: [www.apfc.org/home/Content/investments/assetAllocation2009.cfm](http://www.apfc.org/home/Content/investments/assetAllocation2009.cfm).

Global AUM by Product



US Institutional Investors AUM



There is an increasing asset allocation trend toward benchmark agnostic and uncorrelated strategies.

Sources: The Boston Consultant Group "Global Asset Management 2013: Capitalizing on the Recovery," / Casey Quirk "Life After Benchmarks: Retooling Active Asset Management", November 2013.

### Investment Strategy Spectrum



- The investment industry is bifurcating into two groups: low cost beta and high value alpha
- Our focus is on high value alpha strategies with increasing degrees of freedom

Team and Product Philosophy



- The evolution of our strategies reflects increasing degrees of freedom
- Our investment strategies are designed to leverage experience and limit constraints
- Newer strategies are becoming more benchmark agnostic

## Credit Investment Team



**Bryan C. Krug, CFA**  
Portfolio Manager  
13 years of investment  
experience

	Investment Experience
Joanna L. Booth, CFA—Analyst /Trader	10 years
John T. Basler—Analyst	8 years
Analyst	--

## High Income Strategy

<b>Launch Date</b>	March 19, 2014
<b>Primary Investable Universe</b>	Non-investment grade corporate debt and secured and unsecured loans
<b>Investment Objective</b>	The investment team seeks to invest in issuers with high quality business models that have compelling risk-adjusted return characteristics
<b>Primary Research Pillars</b>	Business Quality Financial Strength & Flexibility Valuation Identification Downside Analysis
<b>Investment Degrees of Freedom</b>	<ul style="list-style-type: none"><li>▪ Capital position agnostic</li><li>▪ Global universe</li><li>▪ Focused portfolio</li></ul>

## SUMMARY OF MARCH QUARTER 2014 RESULTS

---

### Assets Under Management

- AUM increased 2% to \$107.4 billion, the highest quarter-end level in the firm's history
- Average AUM increased 5% to \$106.2 billion

### Net Client Cash Flows

- Net flows of \$1.4 billion resulted in 5.4% annualized organic growth

### Operating Results

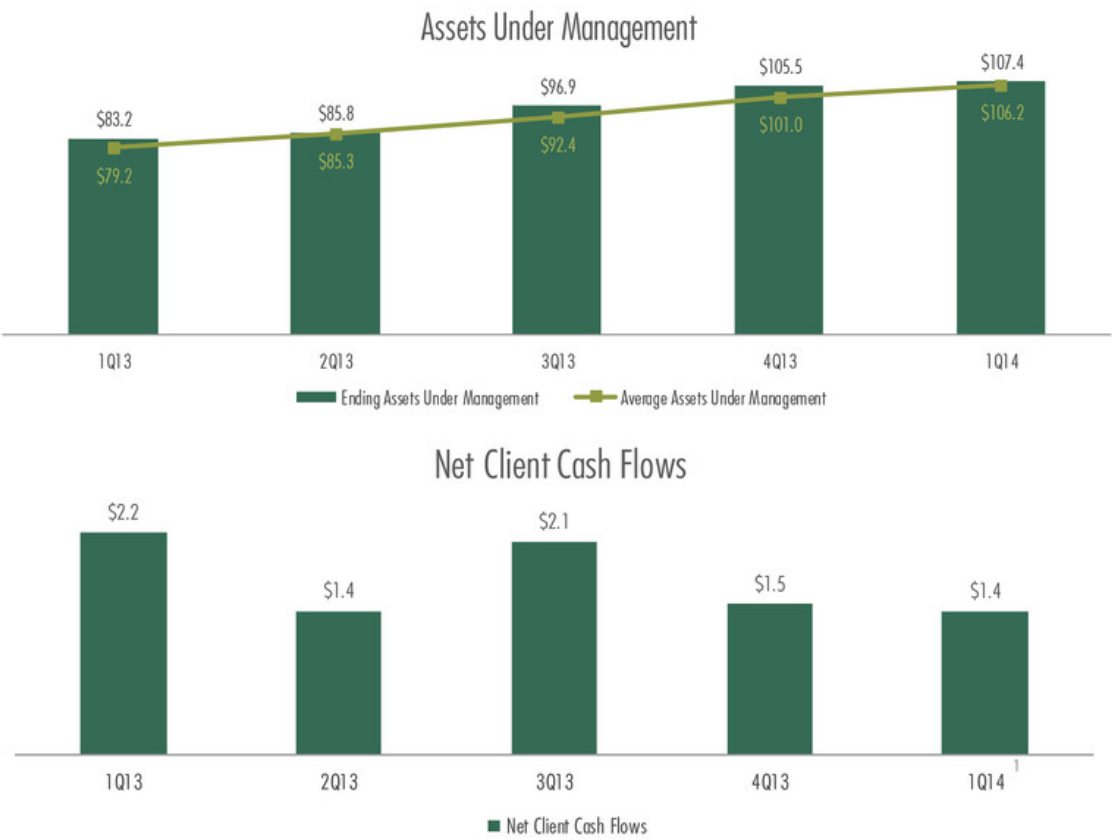
- Revenues increased 2% to \$201.8 million
- Operating margin of 33.3%
- Net loss per basic and diluted share of \$(2.29)<sup>1</sup>
- Adjusted operating margin of 45.1%
- Adjusted net income per adjusted share of \$0.78

### Capital Management

- Dividend of \$0.55 per share of Class A common stock
  - Declaration Date: April 22<sup>nd</sup>
  - Record Date: May 16<sup>th</sup>
  - Payable Date: May 30<sup>th</sup>

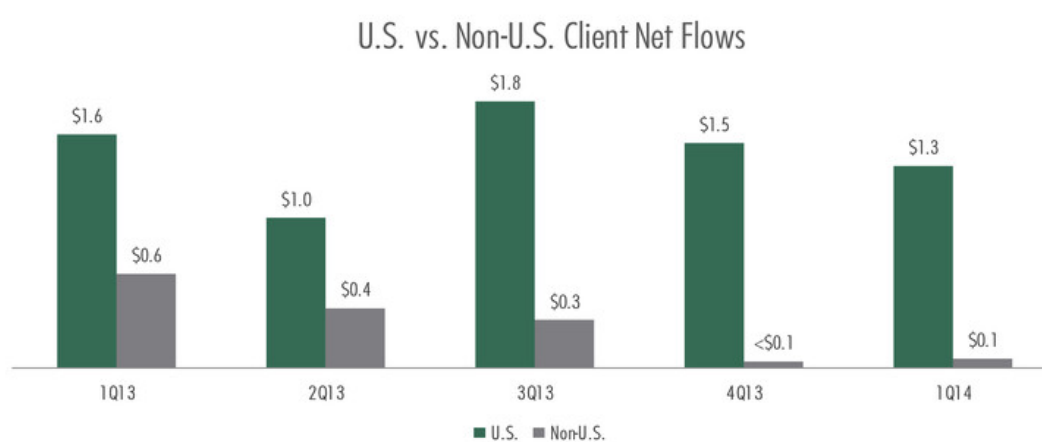
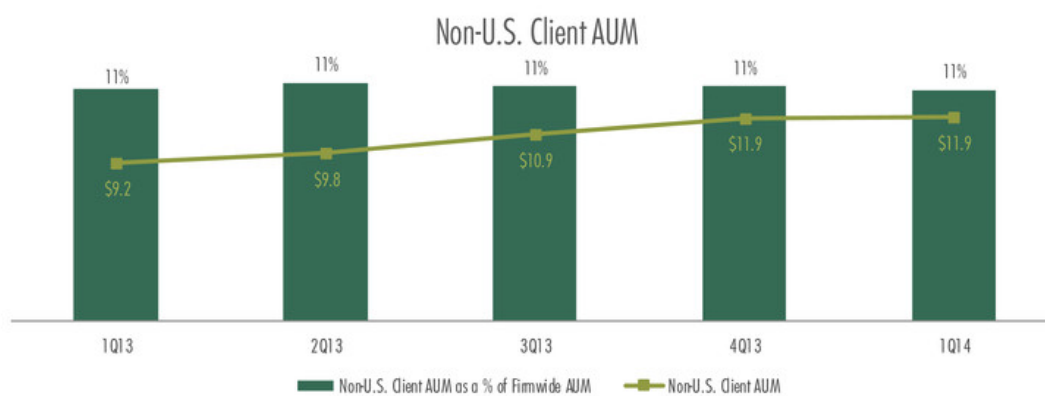
<sup>1</sup>The GAAP loss per basic and diluted share includes a reduction to net income that resulted from purchasing 0.7 million shares of our convertible preferred stock and 2.3 million shares of subsidiary preferred equity for an amount greater than the carrying value of the repurchased equity. Net income available to common stockholders was also reduced by dividends declared on preferred stock and unvested restricted stock during the quarter.

ASSETS UNDER MANAGEMENT & NET CLIENT CASH FLOWS (in billions)



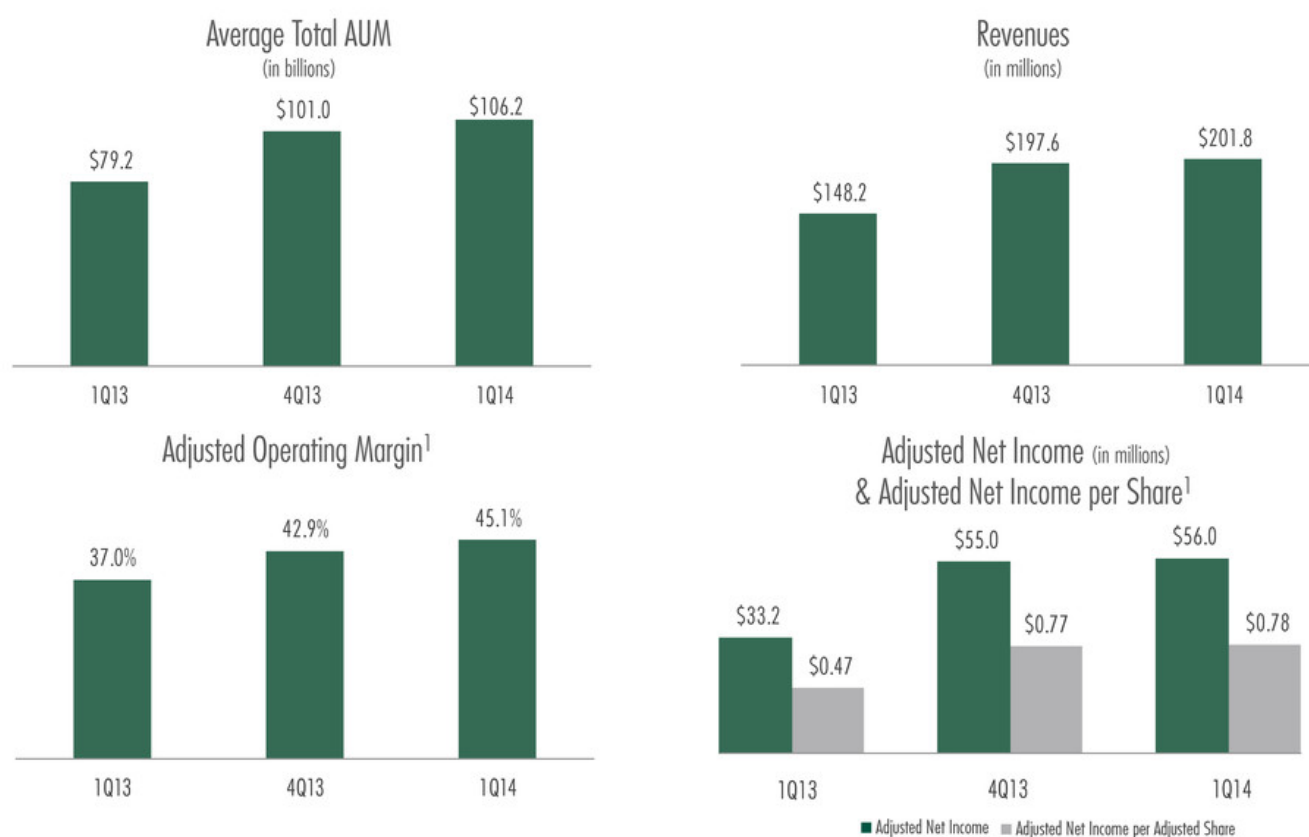
<sup>1</sup> Excludes \$141 million transferred out during the quarter and reinvested in April 2014.

## GLOBAL DISTRIBUTION (in billions)





## FINANCIAL RESULTS — Financial Highlights



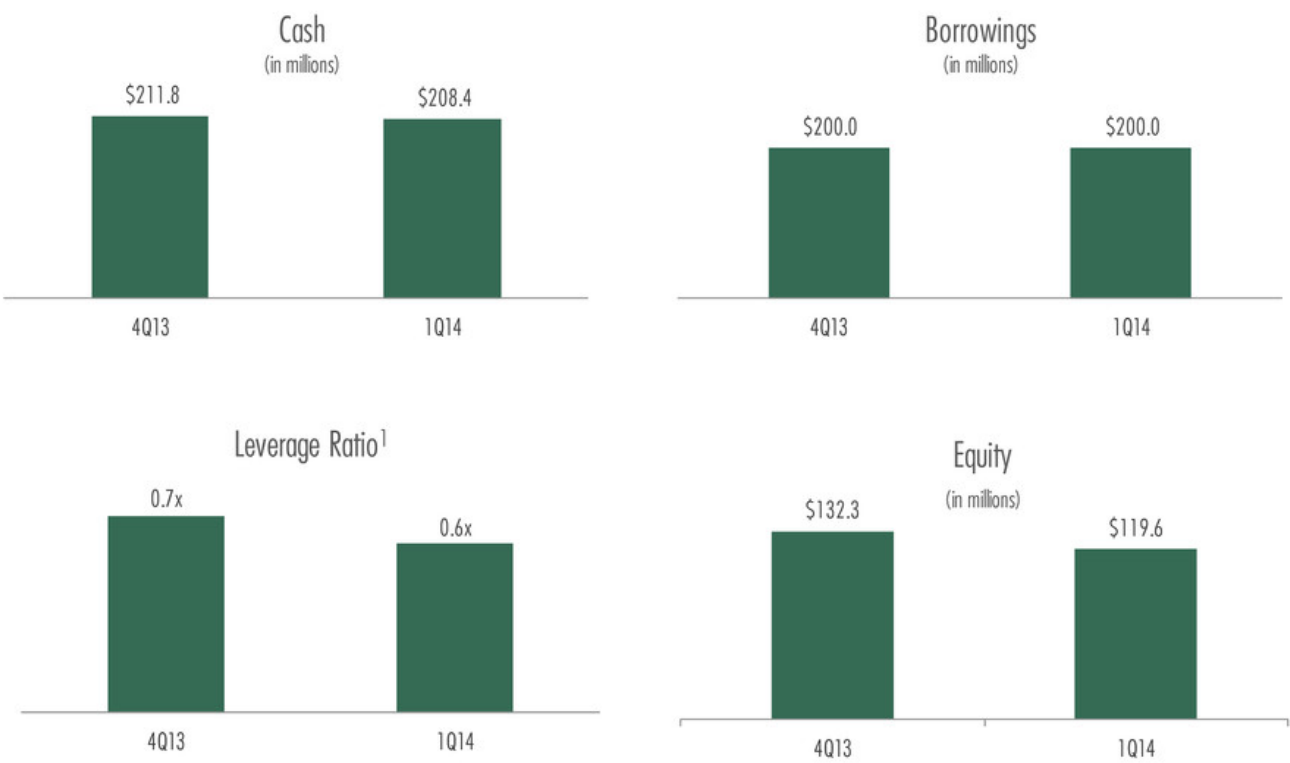
<sup>1</sup> Operating Margin (GAAP) for the quarters ended March 31, 2013, December 31, 2013, and March 31, 2014 was (284.3)%, 29.6%, and 33.3%, respectively. Net Income attributable to APAM for the quarters ended March 31, 2013, December 31, 2013, and March 31, 2014 was \$3.0M, \$10.1M, and \$8.6M, respectively. Net Income (Loss) per basic and diluted share for the quarters ended March 31, 2013, December 31, 2013, and March 31, 2014 was \$0.19, \$(3.04), and \$(2.29), respectively. See page 21 for a reconciliation of GAAP to Non-GAAP ("Adjusted") Measures

## FINANCIAL RESULTS — Compensation & Benefits (in millions)

	For the Three Months Ended					
	March 2014	% of Rev.	December 2013	% of Rev.	March 2013	% of Rev.
Salary & Incentives	\$ 75.0	37.2%	\$ 76.3	38.6%	\$ 58.0	39.1%
Benefits & Payroll taxes	6.6	3.3%	4.1	2.1%	5.4	3.6%
Equity Based Compensation Expense	4.3	2.1%	4.1	2.1%	-	0.0%
<b>Subtotal Compensation and Benefits</b>	<b>85.9</b>	<b>42.6%</b>	<b>84.5</b>	<b>42.8%</b>	<b>63.4</b>	<b>42.8%</b>
Pre-offering related compensation	23.6	11.7%	23.7	12.0%	476.2	321.3%
Cash retention award and severance	-	0.0%	3.3	1.7%	9.3	6.3%
<b>Total Compensation and Benefits</b>	<b>\$ 109.5</b>	<b>54.3%</b>	<b>\$ 111.5</b>	<b>56.4%</b>	<b>\$ 548.9</b>	<b>370.4%</b>

- Salary & Incentives includes incentive compensation, which slightly decreased in the March 2014 quarter due to the on-boarding of the new investment team in the December 2013 quarter and was partially offset by higher revenues in the March 2014 quarter.
- Benefits & Payroll taxes in the March 2014 and 2013 quarters, include seasonal payroll taxes and benefit costs associated with the first quarter funding of 50% of the Company's annual contribution to employee health savings accounts and 401(k) matching.
- The equity based compensation expense of \$4.3 million in the March 2014 quarter is the result of the quarterly amortization of the equity grant made in July 2013. In addition, the expense includes an additional grant made in January 2014 in connection with the addition of new investment team.
- The pre-IPO retention award amortization, which is included in cash retention award and severance in the December and March 2013 quarters, ended in the December 2013 quarter.

FINANCIAL RESULTS — Capital Management



<sup>1</sup> Calculated in accordance with debt agreements.



## APPENDIX

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## RECONCILIATION OF GAAP TO NON-GAAP ("ADJUSTED") MEASURES (in millions)

	Three Months Ended		
	March 31 2014	December 31 2013	March 31 2013
Net income attributable to Artisan Partners Asset Management Inc. (GAAP)	8.6	10.1	3.0
Add back: Net income (loss) attributable to noncontrolling interests - APH	44.2	50.5	(407.1)
Add back: Provision for income taxes	11.2	9.3	4.4
Add back: Reorganization related compensation - share-based awards	23.6	23.7	333.2
Add back: Reorganization related compensation - other	-	-	143.0
Add back: Offering related proxy expense	0.1	2.6	-
Less: Net gain (loss) on the valuation of contingent value rights	-	9.3	24.8
Adjusted income (loss) before income taxes	87.7	86.9	51.7
Less: Adjusted provision for income taxes	31.7	31.9	18.5
Adjusted net income (loss) (Non-GAAP)	56.0	55.0	33.2
Average shares outstanding (in millions)			
Class A common shares	20.2	16.1	12.7
Assumed conversion or exchange of:			
Unvested restricted shares	1.6	1.6	N/A
Convertible preferred shares outstanding	1.0	1.7	2.6
Artisan Partners Holdings LP units outstanding (non-controlling interest)	48.7	52.1	54.7
Adjusted shares	71.5	71.5	70.0
Adjusted net income per adjusted share (Non-GAAP)	\$ 0.78	\$ 0.77	\$ 0.47
Operating income (loss) (GAAP)	67.2	58.4	(421.3)
Add back: Reorganization related compensation - share-based awards	23.6	23.7	333.2
Add back: Reorganization related compensation - other	-	-	143.0
Add back: Offering related proxy expense	0.1	2.6	-
Adjusted operating income (loss) (Non-GAAP)	90.9	84.7	54.9
Adjusted operating margin (Non-GAAP)	45.1%	42.9%	37.0%

## LONG-TERM INVESTMENT RESULTS

As of March 31, 2014	Average Annual Total Returns (Gross)						Average Annual Value-Added
	1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Inception	Since Inception (bp)
<b>Global Equity Team</b>							
Artisan Non-U.S. Growth (Inception: 1-Jan-96)	17.54%	12.78%	20.01%	4.94%	9.40%	11.71%	648
MSCI EAFE Index	17.56%	7.21%	16.01%	1.29%	6.52%	5.23%	
Artisan Non-U.S. Small-Cap Growth (Inception: 1-Jan-02)	26.39%	15.63%	26.15%	8.46%	14.26%	16.95%	544
MSCI EAFE Small Cap Index	23.26%	9.39%	21.69%	2.78%	8.55%	11.51%	
Artisan Global Equity (Inception 1-Apr-10)	17.79%	16.57%	—	—	—	16.38%	648
MSCI All Country World Index	16.55%	8.54%	—	—	—	9.90%	
Artisan Global Small-Cap Growth (Inception 1-Jul-13)	—	—	—	—	—	23.96%	225
MSCI All Country World Small Cap Index	—	—	—	—	—	21.71%	
<b>U.S. Value Team</b>							
Artisan U.S. Mid-Cap Value (Inception: 1-Apr-99)	20.31%	15.45%	24.61%	10.35%	12.87%	15.19%	569
Russell Midcap <sup>®</sup> Index	23.51%	14.37%	25.54%	7.70%	10.05%	9.50%	
Artisan U.S. Small-Cap Value (Inception: 1-Jun-97)	18.71%	7.39%	20.86%	7.11%	10.40%	13.01%	470
Russell 2000 <sup>®</sup> Index	24.90%	13.17%	24.30%	7.07%	8.53%	8.31%	
Artisan Value Equity (Inception: 1-Jul-05)	17.20%	14.13%	22.16%	6.43%	—	8.53%	69
Russell 1000 <sup>®</sup> Index	22.41%	14.73%	21.72%	6.56%	—	7.84%	
<b>Growth Team</b>							
Artisan U.S. Mid-Cap Growth (Inception: 1-Apr-97)	31.08%	16.79%	27.66%	12.81%	12.47%	16.78%	617
Russell Midcap <sup>®</sup> Index	23.51%	14.37%	25.54%	7.70%	10.05%	10.62%	
Artisan U.S. Small-Cap Growth (Inception: 1-Apr-95)	29.13%	18.27%	29.88%	10.26%	10.43%	10.80%	112
Russell 2000 <sup>®</sup> Index	24.90%	13.17%	24.30%	7.07%	8.53%	9.69%	
Artisan Global Opportunities (Inception: 1-Feb-07)	18.93%	13.57%	24.66%	9.96%	—	9.98%	630
MSCI All Country World Index	16.55%	8.54%	17.79%	3.54%	—	3.67%	
<b>Global Value Team</b>							
Artisan Non-U.S. Value (Inception: 1-Jul-02)	23.16%	14.58%	23.70%	8.30%	12.67%	14.70%	726
MSCI EAFE Index	17.56%	7.21%	16.01%	1.29%	6.52%	7.44%	
Artisan Global Value (Inception: 1-Jul-07)	24.31%	18.05%	25.03%	—	—	9.32%	672
MSCI All Country World Index	16.55%	8.54%	17.79%	—	—	2.61%	
<b>Emerging Markets Team</b>							
Artisan Emerging Markets (Inception: 1-Jul-06)	-0.68%	-5.76%	12.94%	1.73%	—	5.27%	-91
MSCI Emerging Markets Index	-1.43%	-2.86%	14.47%	3.39%	—	6.18%	

Source: Artisan Partners/MSCI/Russell. Average Annual Total Returns (Gross) represents gross of fees performance for the Artisan Composites. Value add measures the average annual outperformance or underperformance of the gross composite return of each Artisan Partners strategy compared to its broad-based benchmark. Periods less than one year are not annualized. See Notes & Disclosures at the end of this presentation for more information about our investment performance.

## NOTES & DISCLOSURES

### Forward-Looking Statements

Certain information in this presentation, and other written or oral statements made by or on behalf of Artisan Partners, are "forward-looking statements" within the meaning of the federal securities laws. Statements regarding future events and developments and the company's 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 or achievements to differ materially from the results, level of activity, performance or achievements expressed or implied by the forward-looking statements. Among the important factors that could cause actual results, level of activity, performance or achievements to differ materially from those indicated by such forward-looking statements are: fluctuations in quarterly and annual results, incurrence of net losses, adverse effects of management focusing on implementation of a growth strategy, failure to develop and maintain the Artisan Partners brand 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, 2013, filed with the SEC on February 26, 2014. 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 presentation.

### Investment Performance

We measure the results of our "composites", which represent the aggregate performance of all discretionary client accounts, including mutual funds, invested in the same strategy except those accounts with respect to which we believe client-imposed socially based 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 8% of our assets under management at March 31, 2014, are maintained in separate composites, which are not presented in these materials).

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. Composite returns presented net-of-fees 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.

In these materials, we present "Value-Added", which is the amount in basis points by which the average annual gross composite return of each of our strategies has outperformed or underperformed the market index most commonly used by our clients to compare the performance of the relevant strategy. The market indices used to compute the value added for each of our strategies are as follows: Non-U.S. Growth Strategy—MSCI EAFE® Index; Non-U.S. Small-Cap Growth Strategy—MSCI EAFE® Small Cap Index; Global Equity Strategy—MSCI ACWI® Index; U.S. Mid-Cap Value Strategy—Russell Midcap® Index; U.S. Small-Cap Value Strategy—Russell 2000® Index; Value Equity Strategy—Russell 1000® Index; U.S. Mid-Cap Growth Strategy—Russell Midcap® Index; U.S. Small-Cap Strategy—Russell 2000® Index; Global Opportunities Strategy—MSCI ACWI® Index; Non-U.S. Value Strategy—MSCI EAFE® Index; Global Value Strategy—MSCI ACWI® Index; Emerging Markets Strategy—MSCI Emerging Markets Index<sup>SM</sup>.

In this document, we present information based on Morningstar, Inc., or Morningstar, ratings for series of Artisan Partners Funds, Inc. ("Artisan Funds"). The Morningstar ratings refer to the ratings by Morningstar of the share class of the respective series of Artisan Funds with the earliest inception date and are based on a 5-star scale. Morningstar data © 2014 Morningstar, Inc.; all rights reserved. Morningstar data contained herein (1) is proprietary to Morningstar and/or its content providers, (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. For each fund with at least a three-year history, Morningstar calculates a Morningstar Rating™ which is based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly performance, including the effects of sales charges, loads, and redemption fees, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars and the bottom 10% receive 1 star.

Ratings are based on risk-adjusted returns and are historical and do not represent future results. The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its three-year, five-year, and ten-year (if applicable) Morningstar Ratings metrics. The Artisan Funds, the ratings of which form the basis for the information reflected in the table on page 7, and the categories in which they are rated are: Artisan International Fund—Foreign Large Blend Funds Category; Artisan International Small Cap Fund—Foreign Small/Mid Growth Funds Category; Artisan Global Equity Fund—World Stock; Artisan Small Cap Value Fund—Small Value Funds Category; Artisan Mid Cap Value Fund—Mid-Cap Value Funds Category; Artisan Value Equity Fund—Large Value Funds Category; Artisan Mid Cap Fund—Mid-Cap Growth Funds Category; Artisan Global Opportunities Fund—World Stock; Artisan Small Cap Fund—Small Growth Funds Category; Artisan International Value Fund—Foreign Small/Mid Funds Category; Artisan Global Value Fund—World Stock; Artisan Emerging Markets Fund—Diversified Emerging Markets Funds Category. Morningstar ratings are initially given on a fund's three year track record and change monthly.



## NOTES & DISCLOSURES

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We also present information based on Lipper rankings for series of Artisan Funds. Lipper rankings are based on total return, are historical and do not represent future results. The number of funds in a category may include multiple share classes of the same fund, which may have a material impact on a fund's ranking within a category. Lipper, a Thomson Reuters company, is the owner of all trademarks and copyrights relating to Lipper rankings.

### 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.

### Rounding

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

### Trademark Notice

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