Artisan Partners Asset Management

BUSINESS UPDATE AND SECOND QUARTER 2016 EARNINGS PRESENTATION

JULY 26, 2016

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. I'm joined today by Eric Colson, Chairman and CEO and C.J. Daley, CFO.

Before Eric begins, I would like to remind you that our second quarter earnings release and the related presentation materials are available on the investor relations section of our website.

Also, the comments made on today's call, and some of our responses to your questions, may deal with forward-looking statements which are subject to risks and uncertainties. Factors that may cause our actual results to differ from expectations are presented in the earnings release and are detailed in our filings with the SEC. We undertake no obligation to revise these statements following the date of this conference 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.

And I will now turn the call over to Eric Colson.

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.

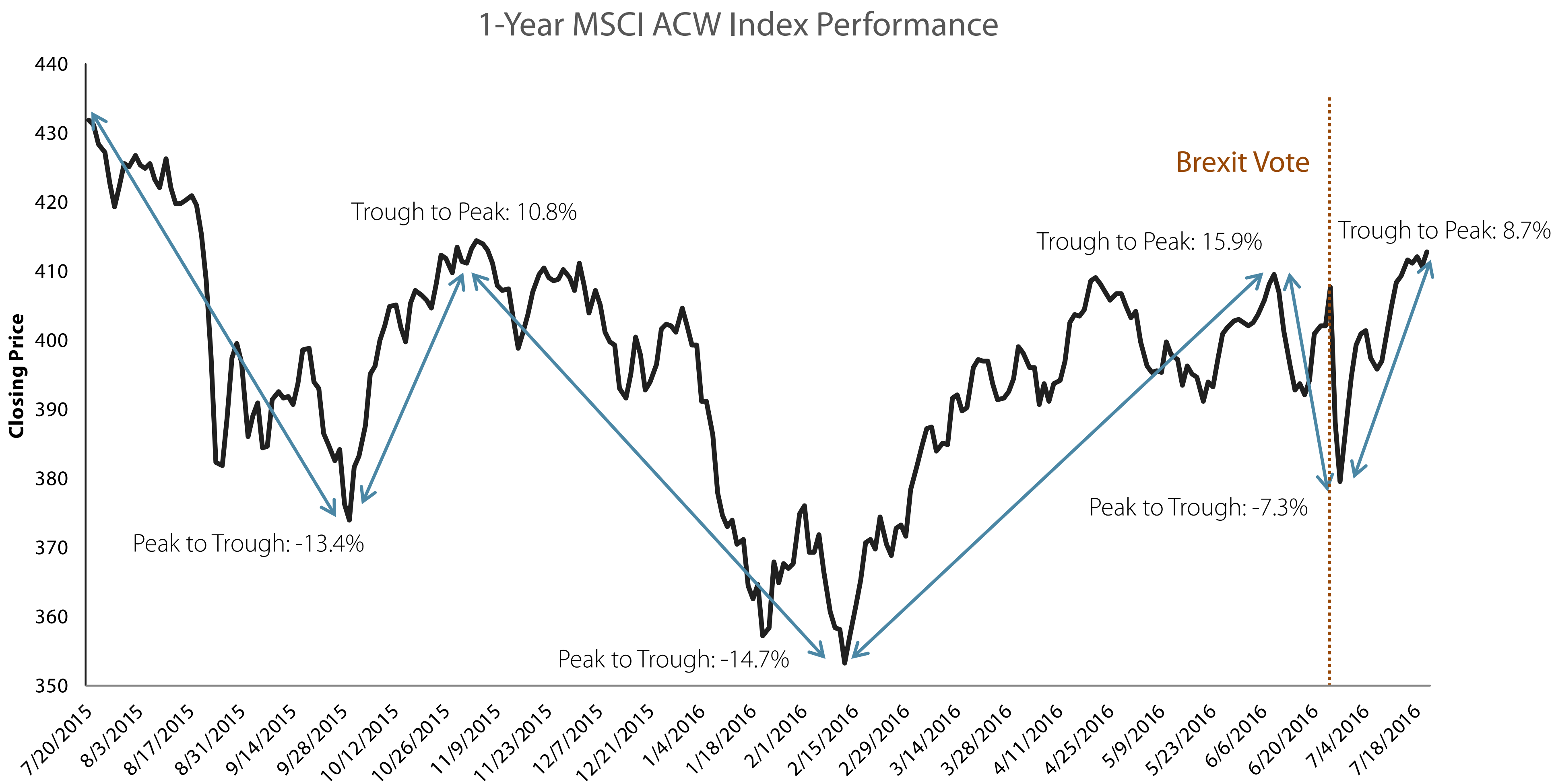
BUSINESS PHILOSOPHY & APPROACH

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

Thank you Makela. Thank you everyone for joining the call.

Given the volatility and uncertainty in the markets, it's easy to get caught up in the noise of events or momentum of short-term trends. With every unknown, people behave differently. At Artisan, we have established a business model that provides talented people the autonomy to follow their philosophy and process and the incentive structure that rewards successful outcomes in a transparent and predictable way. People, though, are unique. They have their own unique priorities, time horizons, and emotions. Because of this, in managing Artisan, we not only need to get the structure and incentives right, we also have to be flexible, patient, and fair.

After I finish my discussion on talent management, CJ will discuss our quarterly financial results.



Sources: MSCI/Bloomberg.

MARKET PERFORMANCE

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

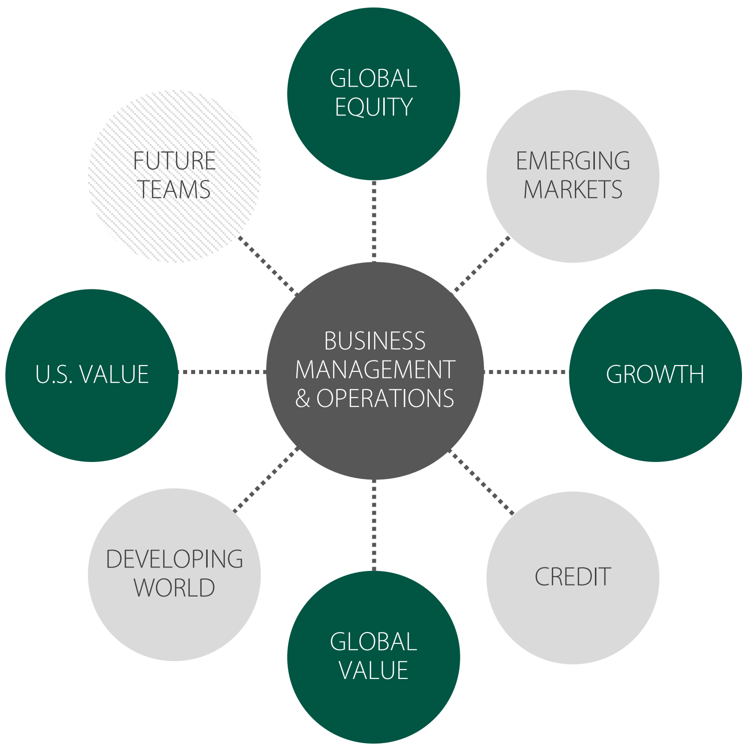
On Slide 2, we have plotted the MSCI All Country World Index over the last 12 months. The Brexit vote in June was yet another episode of volatility and uncertainty. Volatile and uncertain markets are relevant to talent for a number of reasons.

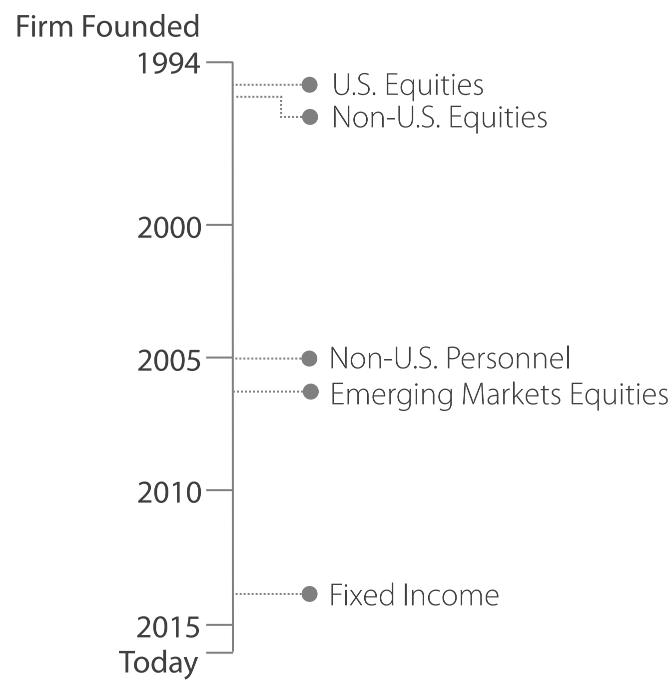
First, in our business, clients, investors, and our talent are all impacted by market swings. As business managers, it's important that we understand that, but not let it pre-occupy us. In managing our business, we must remain focused on what we can control—the environment we create for our talent and the integrity of our investment strategies.

Second, short-term market swings reinforce our belief in, and commitment to, long-term investing. Our investment professionals are long-term investors with investment strategies designed to outperform over full market cycles. Unlike many of the new, low-cost, exposure-oriented investment products, our strategies are not designed for short-term market timing. We don't believe that's a sustainable way to build wealth over the long-term. Our commitment to long-term investing requires that we be patient with our investment talent. If you want successful long-term outcomes, you must give people the time to achieve those outcomes.

Lastly, the Brexit vote itself is a reminder that financial incentives alone are insufficient to produce desired outcomes or explain human behavior. For a majority of the voters, sovereignty and national identity appear to have out-weighed short-term economic self-interest. That should not be surprising. Yes, people want to maximize their wealth. But other values are every bit, if not more, important. We remember that in running our business.

Talent Focused





FIRM FOUNDATION & EVOLUTION

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

Turning to Slide 3. From Artisan's inception, the firm was designed to be an ideal environment for talented investors.

Our business management team works with each investment team independently. We believe that a separate and distinct management function has many benefits. It optimizes the amount of time portfolio managers can spend on investing, by minimizing the amount of time they spend on business matters not directly related to their investment teams. It maximizes purity of performance based upon independent judgement. There has never been a firmwide Chief Investment Officer or a shared research pool. And it creates scale to add new investment teams in various asset classes and regions.

We now have seven investment teams managing 14 strategies. Each team is at a different stage of franchise development, but the concept of evolving individual investors into sustainable investment franchises, has firmly taken root.

Our management function has also evolved. We have developed a business management and operations function that is deep and experienced. It allows us to continue to thoughtfully and responsibly grow our business—with new investment teams and asset classes—and into new regions.

Talent Driven Business Model

Designed for Investment Talent to Thrive

Managed by Business Professionals

Structured to Align Interests

Revenue Share

- Transparent, fair and rewarding
- Re-enforces each team's unique structure, behavior and culture

Equity Grants

- Reward performance, growth, bigger pie thinkers and franchise development
- Align long-term economic interests of investment talent with shareholders

TALENT—Structured to Align Interests

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

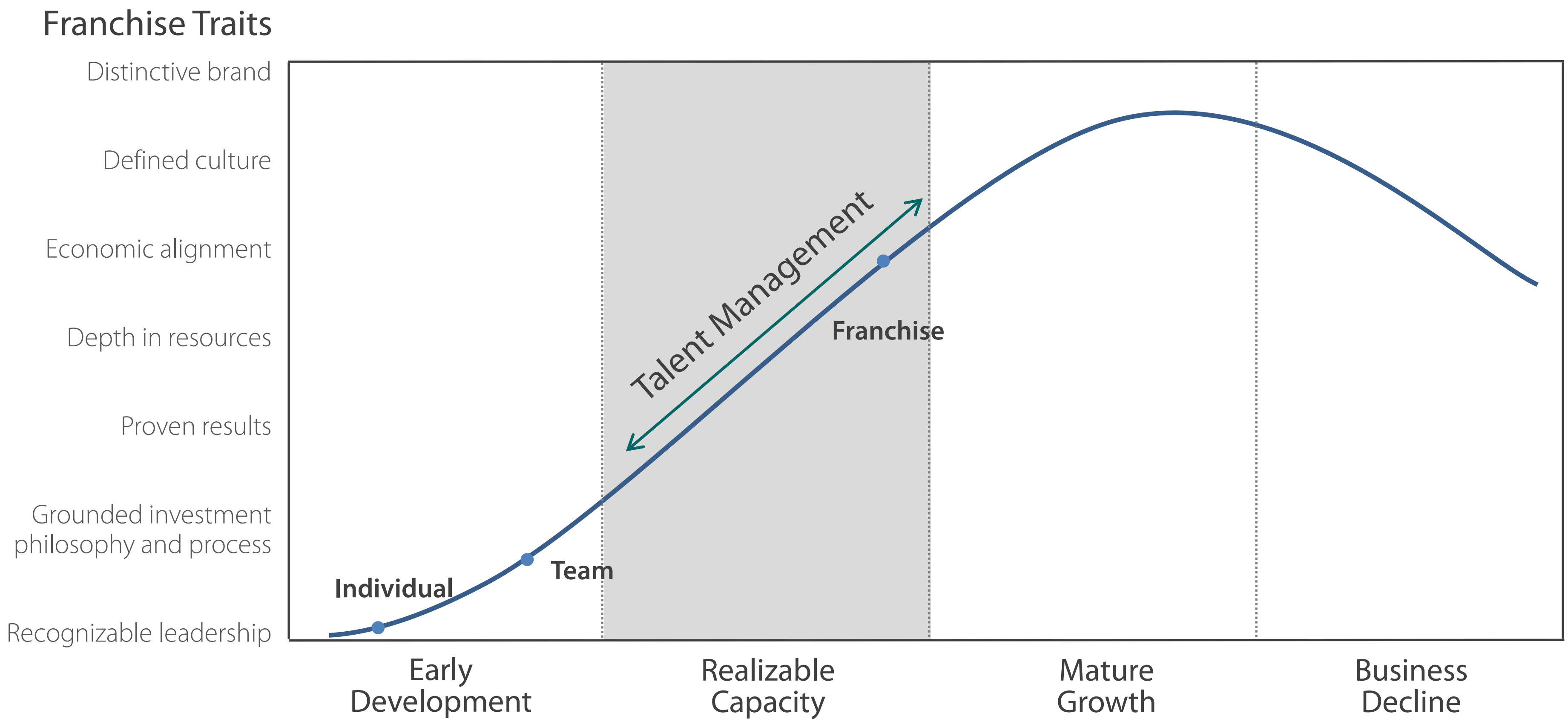
Turning to Slide 4.

Another pillar of our business model is economic alignment. People respond to economic incentives. We want the incentives to align the interests of our investment talent with those of our clients and shareholders. We use two main economic tools: our revenue share and equity.

Each investment team participates in a bonus pool consisting of 25% of the team's gross revenues. The 25% revenue share is transparent, fair, and potentially very rewarding. The calculation is straightforward and does not change from quarter to quarter. By using gross revenue, we link our top line revenue with our largest expense, our top talent's bonuses. Business management, in turn, is responsible for managing expenses. This model focuses our people on getting the big things right, and minimizes the friction caused by less important items. The bonus pool is divided differently by each team to re-enforce their unique structure, behavior, and culture. The revenue share also aligns the interests of our investment teams, clients, and shareholders. For our investment teams to maximize the long-term value of the revenue share, they must deliver superior investment performance with integrity. If performance is not compelling, or strategies depart from client expectations, clients will leave. When clients leave, the revenue share declines.

Our other economic tool is equity. Over the years, we have granted significant firm equity to our investment talent. As of the end of the quarter, investment professionals owned about 24.5% of the equity interests in Artisan. Since our IPO in March 2013, the shares we have granted to our employees represent approximately 6.3% of the equity interests in the firm. We have made 90% of those post-IPO equity awards to investment talent. And beginning in 2014, approximately one-half of the shares we have issued to investment talent have been Career Shares which do not vest until the person's qualifying retirement from Artisan, which requires at least 10 years of service with the firm and meaningful advance notice of the intent to retire.

While the revenue share has always been our primary form for compensating investment talent, equity grants provide an additional tool to reward and incentivize performance, growth, bigger pie thinkers, and franchise development. And the awards themselves further align the long-term economic interests of our talent with those of our clients and shareholders.



Franchise Traits
Distinctive brand
Defined culture
Economic alignment
Depth in resources
Proven results
Grounded investment philosophy and process
Recognizable leadership
Talent Management
Franchise
Team
Individual
Early Development
Realizable Capacity
Mature Growth
Business Decline

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

On the left side of Slide 5, we have listed the traits that define an investment franchise.

As an investment team develops these traits, revenue becomes more robust with multiple strategies and longer in duration with more recognizable decision makers. The incentives pay off with higher revenue and equity.

Financial incentives, though, are not enough to develop franchises in the first place, and then keep franchises in the realizable capacity sweet spot. That's because individuals are unique. Everyone does things in their own way, has their own priorities, time horizons and emotions. As the behavioral economist Richard Thaler has explained, economically speaking, people don't always behave. They certainly don't always behave in the same way. That's why our business structure and business management are critical to franchise development.

Our model gives portfolio managers autonomy with respect to their investment strategies, their team personnel and culture, their physical space, and their time. Artisan's portfolio managers on different teams do not report to one another. And each team can leverage our dedicated business management team and operational infrastructure to develop franchise traits in the way that works best for the team.

Our business management team, in turn, leverages the knowledge gained in helping each of the teams. The lessons learned and steps taken to develop one franchise are used to help with the development of the other teams. We help with franchise development and we work to move it along. But we don't force things, and we're not dogmatic. Pushing too hard, or too fast, or in the wrong way can blow things up. Avoiding mistakes can be as important as additional victories.

In the end, we believe that the combination of our talented investors, our business model, and patience and flexibility will turn individuals into teams and teams into franchises—and then keep franchises in the healthy realizable capacity zone.

TALENT—Outcomes

Global Equity Team	Inception	AUM ($ mm)	YTD	1 Yr	3 Yr	5 Yr	10 Yr	Inception	Value-Added (bps)	Overall Fund Morningstar Rating™ (1)
			Average Annual Total Returns (%) (Gross)							
Non-U.S. Growth	1/1/96	27,150	-5.08	-11.15	3.35	5.62	4.81	10.05	597	★★★
Non-U.S. Small-Cap Growth	1/1/02	1,123	-8.67	-8.33	3.45	6.13	7.28	13.30	384	★★★
Global Equity	4/1/10	958	-0.73	-6.81	6.56	10.47	-	11.27	473	★★★★
Global Small-Cap Growth	7/1/13	91	-12.25	-16.89	0.80	-	-	0.80	-599	★
U.S. Value Team										
U.S. Mid-Cap Value	4/1/99	6,780	10.26	-0.22	6.35	9.19	8.98	13.16	421	★★★
Value Equity	7/1/05	1,500	14.84	3.66	8.15	9.73	7.27	7.49	-15	★★★
Growth Team										
U.S. Mid-Cap Growth	4/1/97	14,004	-1.78	-4.25	10.20	10.36	10.60	15.02	502	★★★★
U.S. Small-Cap Growth	4/1/95	2,217	2.61	-5.88	9.14	10.82	8.15	9.83	115	★★★
Global Opportunities	2/1/07	7,939	0.69	-0.41	10.20	10.30	-	8.98	600	★★★★★
Global Value Team										
Non-U.S. Value	7/1/02	16,488	-1.02	-5.86	6.21	7.67	7.63	12.11	673	★★★★★
Global Value	7/1/07	14,210	0.92	-2.25	7.33	10.52	-	7.31	516	★★★★
Emerging Markets Team										
Emerging Markets	7/1/06	213	10.31	-3.38	1.68	-3.44	3.69	3.69	15	★★
Credit Team										
High Income	4/1/14	1,564	7.63	4.95	-	-	-	5.41	376	Not Yet Rated
Developing World Team										
Developing World	7/1/15	723	8.73	-4.06	-	-	-	-4.06	800	Not Yet Rated

Data as of and through June 30, 2016. Value added measures the average annual outperformance or underperformance of the gross composite return of each Artisan Partners strategy compared to its broad-based benchmark. Periods of one year or less are not annualized. See Notes & Disclosures at the end of this presentation for more information about our investment performance. [1] Morningstar ratings are for the series of Artisan Funds managed in the indicated Artisan Partners strategy.

TALENT—Outcomes

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

Slide 6 shows our investment teams' performance over various time periods, on an absolute basis. 12 of our 14 strategies have outperformed their broad benchmarks since inception gross of fees. 10 of the 12 outperforming strategies have outperformed by more than 376 basis points gross of fees since inception.

I do want to remind you that we ceased to manage assets in our U.S. Small-Cap Value strategy in the second quarter. At month-end before the strategy ceased managing assets, it had outperformed its benchmark by over 357 basis points gross of fees since inception—though it had considerably underperformed over more recent periods.

On a shorter-term basis, our U.S. Value, Emerging Markets, High Income, and Developing World teams have all delivered strong year-to-date performance. The Value Equity strategy has returned nearly 15% in 2016 gross of fees, while its broad-based benchmark has returned under 4%. The U.S. Mid-Cap Value, Emerging Markets, High Income, and Developing World strategies have each returned more than 7.63% in 2016 gross of fees.

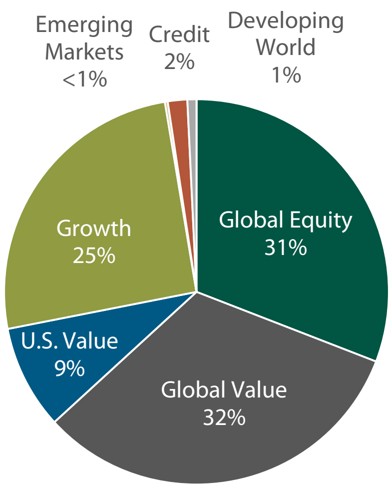
The recent strong performance of the Emerging Markets strategy has resulted in the strategy outperforming the index, gross of fees, across the 1, 3, 5 and since inception time periods.

The absolute returns of our non-US and Global strategies have been impacted in recent periods by poor market performance in overseas developed markets, particularly in Europe. While those strategies have performed well over longer time periods, the short-term absolute performance has hurt and has significantly impacted our AUM due to the size of the strategies.

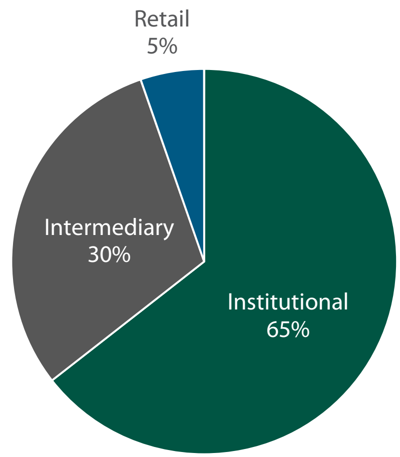
In the long-run, we believe investment performance will drive organic growth. I think this page shows mature strategies with strong and compelling track records and newer strategies with outstanding shorter-term track records. Producing these results for clients is our goal. This is the reason that we structure and manage our business for investment talent to thrive: to deliver results for clients. If we can continue to deliver these results, we are confident that organic growth will follow.

DISTRIBUTION

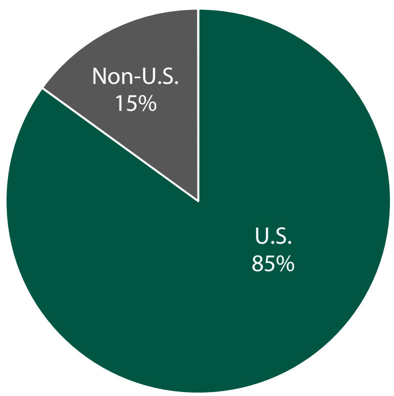
AUM by Investment Team



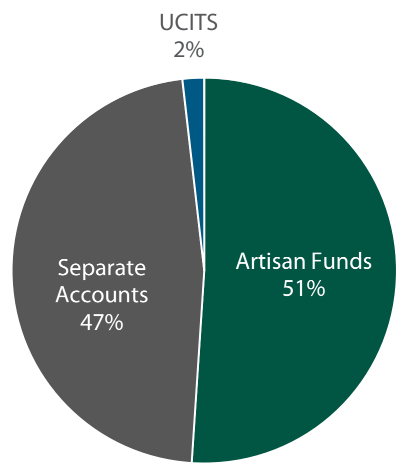
AUM by Distribution Channel[1]



AUM by Client Domicile



AUM by Vehicle



As of June 30, 2016. [1]The allocation of AUM by distribution channel involves the use of estimates and the exercise of judgment.

DISTRIBUTION

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

Moving to Slide 7, which shows the distribution of our AUM by investment team, distribution channel, client domicile, and investment vehicle.

In the second quarter, we had net client cash outflows of $2.3 billion. During the quarter, we saw a slow-down in gross inflows, which we believe is attributable to a number of factors, including market uncertainty and the demand for high capacity, low fee products. In the short-term, this is a difficult environment for high value-added active managers.

Over the last two years the percentage of our total AUM sourced through our institutional channel has increased from 62% to 65%. This is primarily because we have experienced greater attrition in our intermediary channel. In general, institutional mandates are longer duration than intermediary assets. So we're pleased that our global products have proven popular with institutional investors, particularly with institutions overseas, where we have more than doubled our number of total client relationships over the last 5 years. Growth with non-US institutional clients has helped to spread our brand and reputation with other types of investors overseas.

Similar to our investment talent, we align the interests of our distribution talent with our investment franchises and clients. Our institutional sales effort is organized around each investment franchise, with a distribution business leader working with each team. Our intermediary, retail, and non-US distribution professionals work across our products, but all of our salespeople are incentivized to service and retain existing clients, as well as source new business.

As with our investment talent, the culture and financial alignment of our distribution talent empowers business leaders to think and act like business owners. That includes an appreciation for the importance of capacity management to protect long-term investment performance for existing clients. It also means identifying long-term business opportunities with clients and investors who value the scarcity of our teams' investment capacity. The right clients at the right price, anywhere in the world.

With our three established global strategies, each distribution team is building a pipeline and growth strategy unique to them. Currently all three are experiencing strong interest outside the US, primarily from institutional clients.

We built our distribution model to create the best experience for clients—not to maximize scale and efficiency with separate sales, service, and consultant relations teams. In our model, the same people who sold the business also service the business. So when the market environment improves, we will be able to play more offense with the same people.

I will now turn it over to CJ to discuss our financial results.

FINANCIAL RESULTS – GAAP Financial Highlights

	For the Three Months Ended			For the Six Months Ended	
	June 30, 2016	March 31, 2016	June 30, 2015	June 30, 2016	June 30, 2015
	(unaudited, in millions except per share amounts or as otherwise noted)				
Assets Under Management (amounts in billions)					
Ending	$ 95.0	$ 97.0	$ 109.2	$ 95.0	$ 109.2
Average	96.6	92.9	111.4	94.7	109.9
Consolidated Financial Results (GAAP)					
Revenues	$ 180.8	$ 174.5	$ 211.5	$ 355.3	$ 415.1
Operating income	58.9	54.8	78.3	113.7	146.1
Operating margin	32.6%	31.4%	37.0%	32.0%	35.2%
Net income attributable to Artisan Partners Asset Management Inc.	$ 18.3	$ 16.3	$ 23.8	$ 34.6	$ 43.3
Basic and diluted earnings per share	0.38	0.35	0.50	0.74	0.95

FINANCIAL RESULTS – GAAP Financial Highlights

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

Thanks, Eric.

As you know, we report both GAAP and adjusted financial results. I'll start on slide 8 with a review of our GAAP results. For the quarter ended June 30, 2016 our assets under management declined 2% to $95 billion, compared to $97 billion for the March 2016 quarter and $109.2 billion for the quarter ended June 30, 2015.

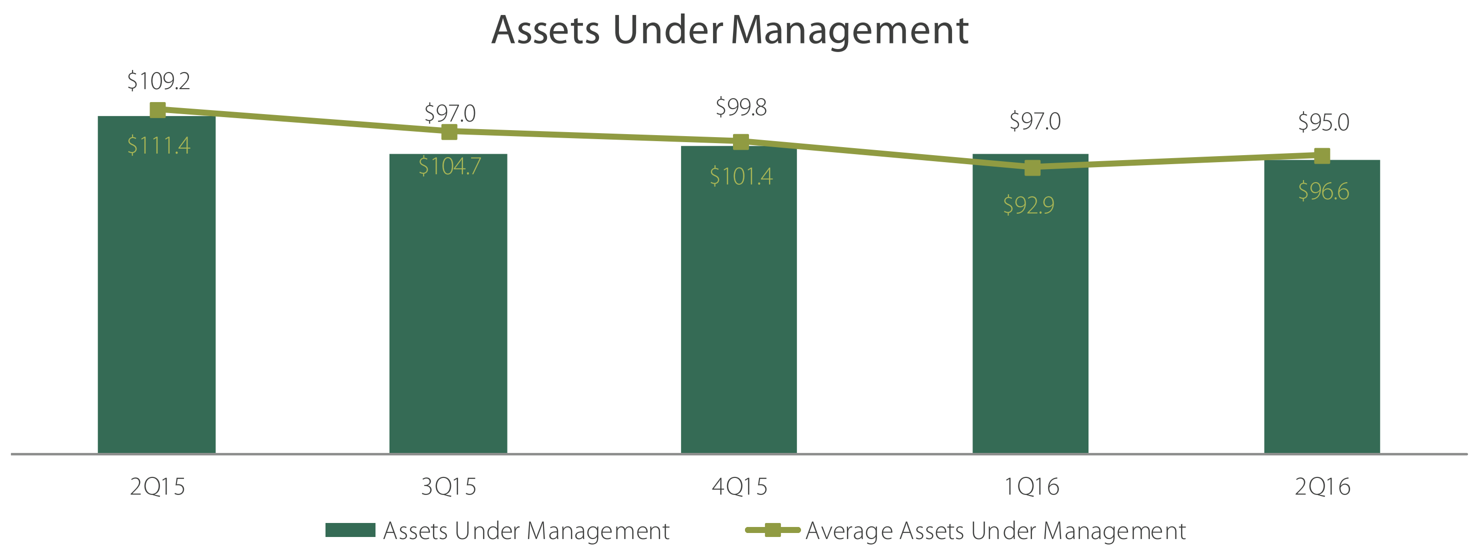
Revenues for the current quarter were $180.8 million, up 4% from the March 2016 quarter and down 15% from the corresponding June quarter in 2015.

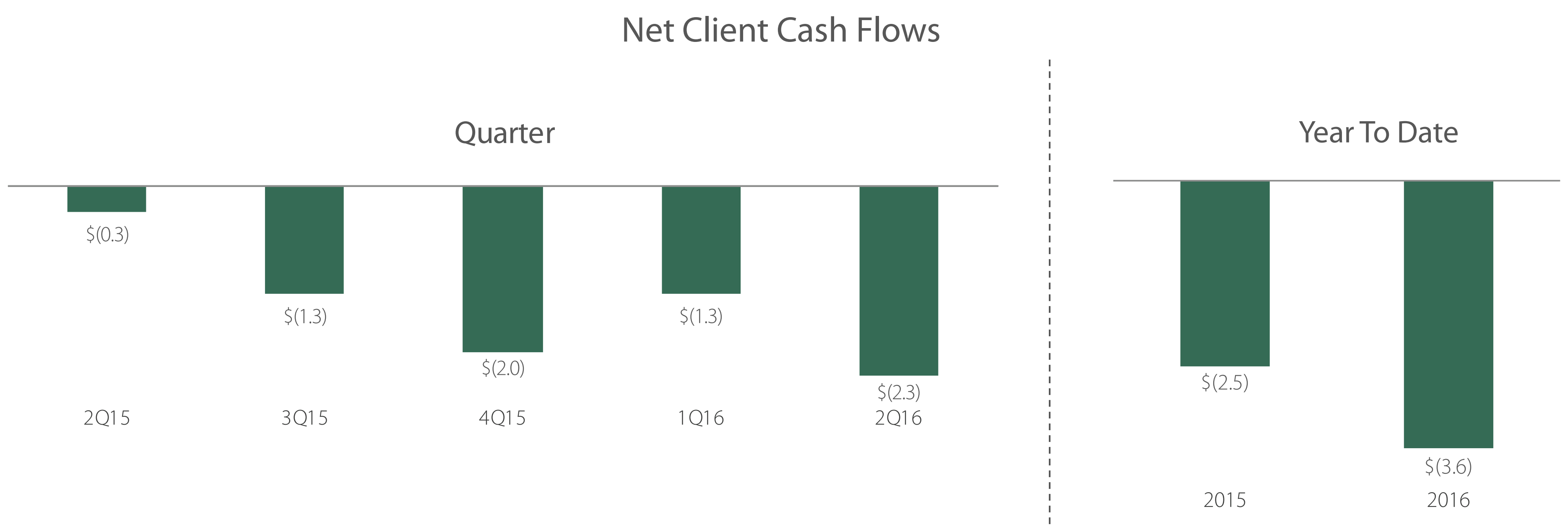
On a GAAP basis, operating income for the current year June quarter was $58.9 million, up 7% from the March 2016 quarter and down 25% from the June 2015 quarter.

Earnings per share on a GAAP basis was $0.38 per share for the June 2016 quarter, $0.35 per share for the March 2016 quarter and $0.50 per share for the June 2015 quarter.

For the six months ended June 30, 2016, revenues were $355.3 million, down 14% from the six months ended June 30, 2015. GAAP operating income was $113.7 million, down 22% from the prior year six months. Earnings per share was $0.74 per share compared to $0.95 per share.

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





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

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

Slide 9 is our AUM results.

For the quarter, AUM declined $2 billion compared to the sequential March 2016 quarter, driven by net client cash outflows of $2.3 billion, offset in part by market appreciation of $231 million.

Almost half of our net client cash outflows during the quarter were from our Mid-Cap Value strategy that continues to see outflows due to past underperformance. While we are encouraged by year-to-date performance results in this strategy, we expect attrition will continue. In addition as Eric mentioned, we ceased managing the Small-Cap Value strategy during the quarter and experienced $500 million of net client cash outflows as a result. Much of the remaining net client cash outflows were primarily the result of a reduced level of gross inflows across much of our business.

Inflows in our Non-U.S. Growth strategy were down 25% quarter-over-quarter as intermediaries continued to decrease their overall allocation to EAFE-related strategies and due to continued market uncertainty including uncertainties surrounding the composition of the EU.

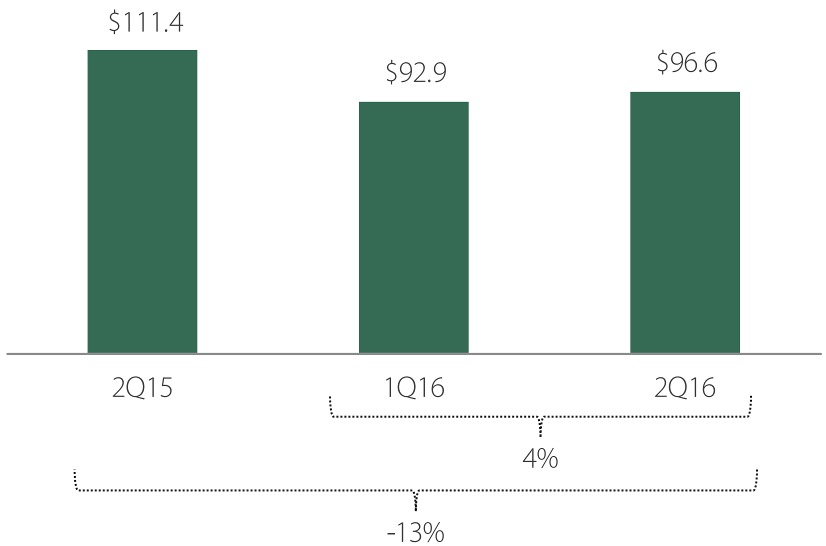
Quarter over quarter gross inflows were also meaningfully lower in our Mid-Cap Growth strategy, primarily in defined contribution plans as plan participant re-enrollments continued to favor passive products. Despite recent headwinds that we have faced in the defined contribution marketplace, our Mid-Cap Growth strategy continues to be a meaningful participant in that space.

On a more positive note, several of our strategies continue to see strong interest from clients, investors, and consultants. The Global Opportunities strategy had net client cash inflows of $200 million during the quarter. Although that represents a lower growth rate compared to recent quarters, our pipeline of new business in this strategy is very strong and we expect meaningful growth through lumpy wins over the remainder of the year. Our newest strategies, High Income and Developing World continued to see net client cash inflows at a healthy pace despite performance track records less than the 3 years. We believe these flows reflect the demand for these differentiated strategies, the reputation of the teams, and Artisan's history of delivering outperformance.

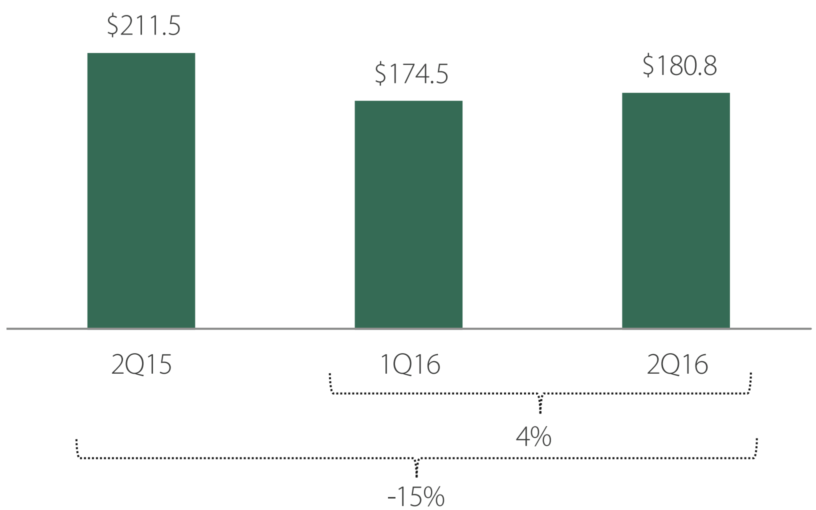
FINANCIAL RESULTS — Financial Highlights

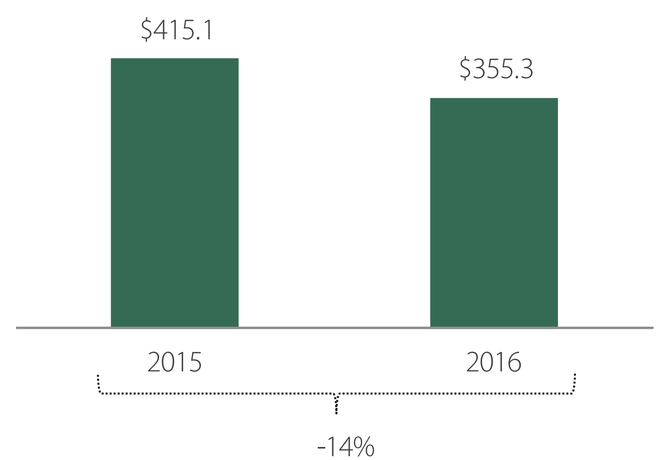
Quarter | Year To Date

Average AUM
(in billions)



Revenues
(in millions)





	2Q15	1Q16	2Q16	2015	2016
Effective Fee Rate (bps)	76	76	75	76	75

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

Moving on to slide 10 and our financial results. Despite lower ending AUM, average AUM in the June quarter increased to $96.6 billion, up 4%, when compared to the previous quarter. When compared to the same quarter a year ago, average AUM was down 13%.

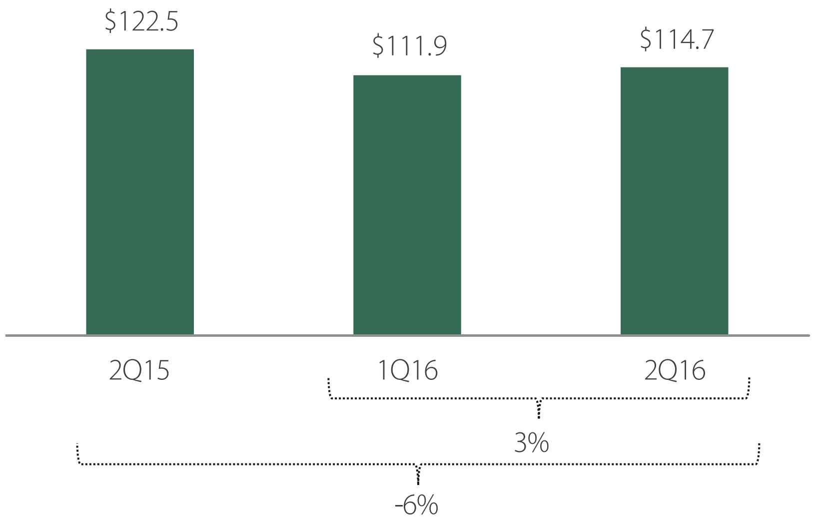
Revenues were $180.8 million in the June quarter, up 4% from the prior quarter and in-line with the percentage increase in average AUM. When compared to the same quarter a year ago, revenues decreased 15% mostly due to the decrease in the average AUM. Also impacting revenues was a slight decrease in our overall effective fee rate from 76 basis points to 75 basis points resulting from a slight shift in the mix of our AUM between pooled vehicles and separate accounts.

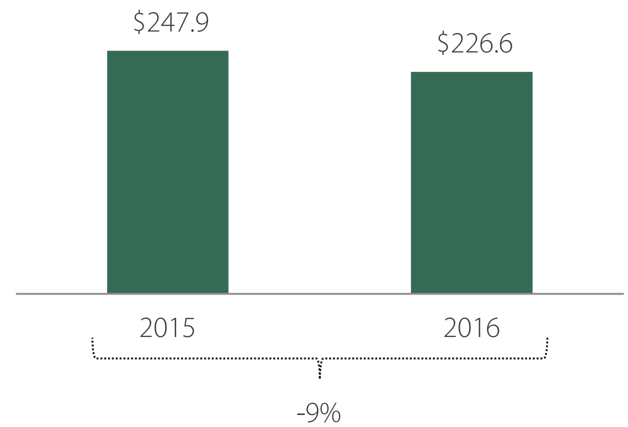
Revenues for the six months ended June 30, 2016 were $355.3 million on average AUM of $94.7 billion, down 14% from revenues and average AUM in the six months ended June 2015.

FINANCIAL RESULTS — Financial Highlights

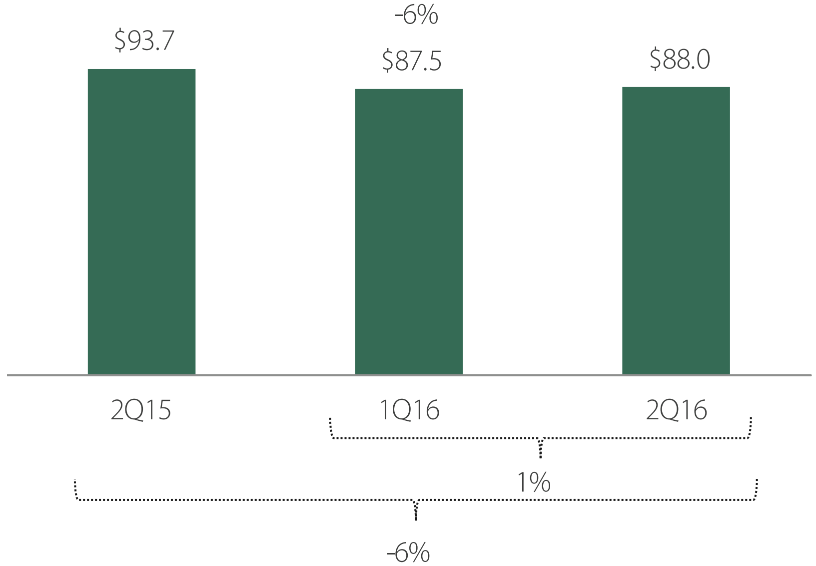
Quarter | Year To Date

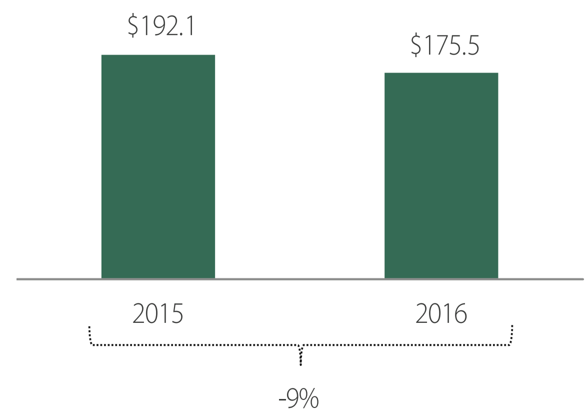
Total Operating Expenses (net of Pre-Offering Related Compensation) (in millions)





Compensation & Benefits Expense (net of Pre-Offering Related Compensation) (in millions)





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

Slide 11 shows expenses on an adjusted basis.

Our adjusted measures—including adjusted net income, adjusted operating margin, and adjusted earnings per adjusted share—are measures which we, as management, use to evaluate our profitability and the efficiency of our business operations. The adjusted measures remove the impact of pre-offering related compensation and the net gain or loss on the tax receivable agreement. We also remove the non-operational complexities of our structure by adding back non-controlling interests and assuming all the income of our underlying partnership is allocated to the public company.

For the most recent quarter, operating expenses net of pre-offering related compensation expense were $114.7 million up $2.8 million, or 3%, from the March 2016 quarter. This increase was primarily the result of higher compensation and benefits expense, as a result of higher revenues, and higher technology expense. Technology expense for the quarter was up as we continued to invest in technology tools primarily to support our investment and distribution teams.

Compared to the June quarter of 2015, net operating expenses decreased $7.8 million, or 6%, primarily as a result of lower compensation and benefits expense on lower revenues.

Operating expenses, net of pre-offering related compensation, for the six months ended June 2016 were down $21.3 million, or 9%, primarily driven by a 9% decrease in comp and benefits expense, also as a result of lower revenues.

FINANCIAL RESULTS — Compensation & Benefits (in millions)

	For the Three Months Ended						For the Six Months Ended			
	June 2016	% of Rev.	March 2016	% of Rev.	June 2015	% of Rev.	June 2016	% of Rev.	June 2015	% of Rev.
Salary	$ 12.8	7.1%	$ 12.6	7.2%	$ 11.6	5.5%	$ 25.4	7.1%	$ 23.0	5.5%
Incentive Compensation	59.1	32.7%	57.3	32.8%	67.9	32.1%	116.4	32.8%	139.3	33.6%
Benefits & Payroll Taxes	5.3	2.9%	7.2	4.1%	5.1	2.4%	12.5	3.5%	12.3	3.0%
Equity Based Compensation Expense	10.8	6.0%	10.4	6.0%	9.1	4.3%	21.2	6.0%	17.5	4.2%
Subtotal Compensation and Benefits	**88.0**	**48.7%**	**87.5**	**50.1%**	**93.7**	**44.3%**	**175.5**	**49.4%**	**192.1**	**46.3%**
Pre-Offering Related Compensation	7.2	4.0%	7.8	4.5%	10.7	5.1%	15.0	4.2%	21.1	5.1%
Total Compensation and Benefits	**$ 95.2**	**52.7%**	**$ 95.3**	**54.6%**	**$ 104.4**	**49.4%**	**$ 190.5**	**53.6%**	**$ 213.2**	**51.4%**

- Incentive Compensation is primarily variable compensation paid to investment and distribution teams based on revenue-share percentages and discretionary cash incentives paid to other employees. Incentive Compensation increased in the June 2016 quarter as compared to the March 2016 quarter primarily due to higher revenues. On a year over year basis, Incentive Compensation decreased primarily due to lower revenues.

- Benefits & Payroll taxes decreased in the June 2016 quarter due in part to seasonal benefits paid in the March 2016 quarter.

- The equity based compensation expense of $10.8 million in the June 2016 quarter is the quarterly amortization of the equity grants we have made since our March 2013 IPO.

FINANCIAL RESULTS — Compensation & Benefits (in millions)

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

On slide 12 we've broken out our compensation and benefits expenses, which comprise close to 80% of our total operating expense.

Excluding pre-offering related compensation expense, comp and benefits rose slightly but declined as a percentage of revenues, which is consistent with our variable expense model in which close to 60% of our expenses vary with changes in revenues.

As a percentage of revenue, incentive compensation, which is the largest component of comp and benefits, was stable quarter over quarter. Of all our expenses, incentive compensation expense fluctuates most directly with revenues.

Benefits and payroll taxes declined to 2.9% of revenues from 4.1% in the March quarter as we benefited from the roll off of seasonal expenses from the first quarter.

Equity-based compensation expense was up slightly, reflecting a full quarter's amortization of the January 2016 equity grant.

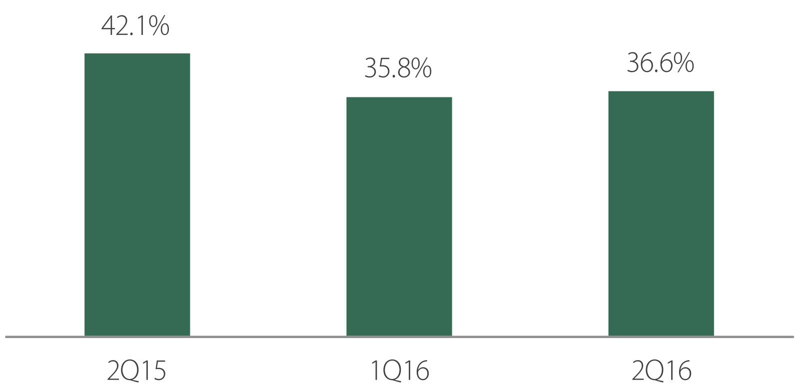
Compared to last year's year-to-date period, comp and benefits declined $22.7 million, or 11%. Incentive compensation declined as a result of lower levels of revenues in the current year period as well as the absence of the costs associated with onboarding the Developing World team in 2015. Partially offsetting those declines was an increased level of equity-based compensation expense and an increase in salary costs as a result of a higher number of full time employees.

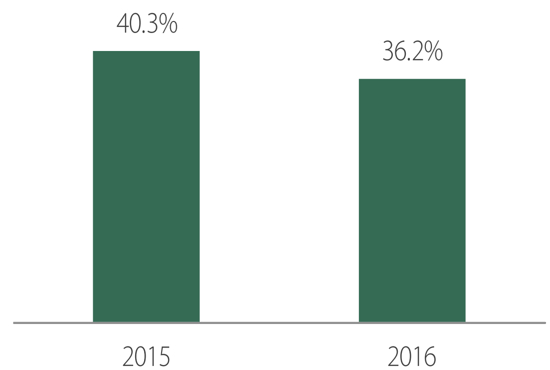
FINANCIAL RESULTS — Financial Highlights

Quarter

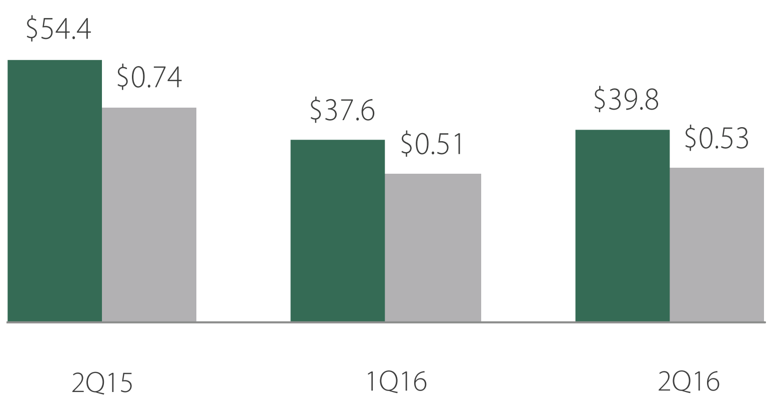
Year To Date

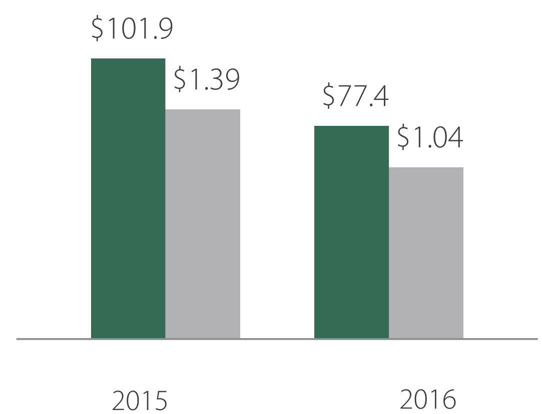
Adjusted Operating Margin





Adjusted Net Income (in millions) & Adjusted Net Income per Adjusted Share





Adjusted Net income Adjusted Net Income per Adjusted Share

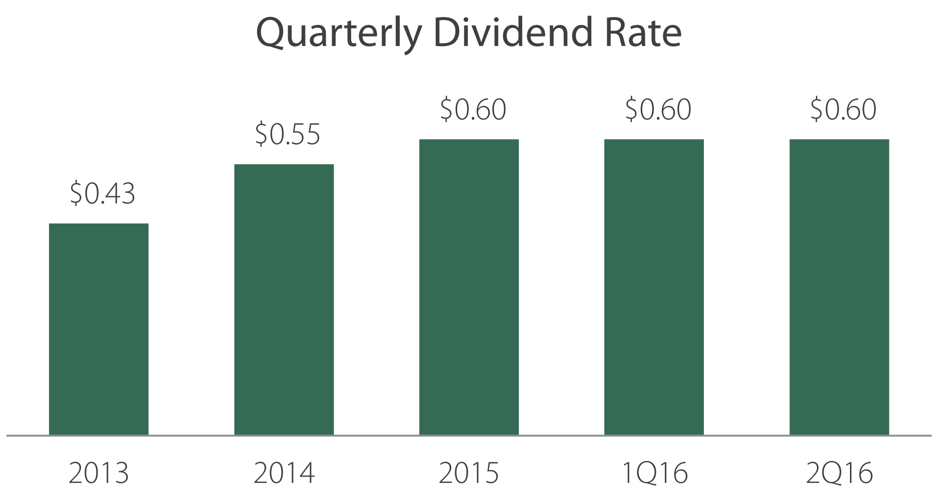
Charles (C.J.) Daley—Chief Financial Officer, Executive Vice President and Treasurer, Artisan Partners Asset Management Inc.:

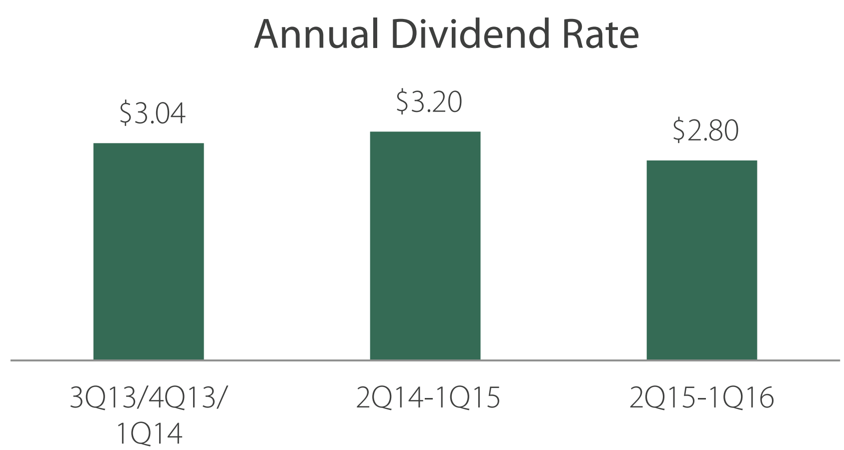
Moving on to Slide 13.

For the current quarter, our adjusted operating margin increased to 36.6% compared to 35.8% last quarter and decreased when compared to 42.1% in the June 2015 quarter. For the current six month period, our operating margin declined to 36.2% from 40.3%. Margin declines from the 2015 corresponding periods primarily reflect lower levels of revenues.

Adjusted net income and adjusted net income per adjusted share for the current quarter were $39.8 million and $0.53 per adjusted share. For the current six month period, adjusted net income was $77.4 million or $1.04 per adjusted share, compared to $101.9 million or $1.39 per adjusted share for last year's six month period.

DIVIDEND – History of Quarterly and Annual





Note: Time periods noted above represent the period in which the dividends were paid.

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

Slide 14 begins the discussion of our dividend and cash management.

Last week we announced that our Board of Directors declared a quarterly dividend of $0.60 per share, payable August 31, 2016 to shareholders of record on August 17. Our Board set the current level of our quarterly dividend in January of 2016 at a level that we believed would be sustainable throughout the year taking into consideration our expected cash generation, the amount of cash retained from the cash generated in 2015, expected cash savings resulting from partner exchanges after payments under the tax receivable agreements, and considering market conditions.

EVALUATING THE QUARTERLY DIVIDEND

Comparison of Cash Generation[1] and Dividends
($s are per share)

		2Q16
Adjusted EPS (non-GAAP)	$	0.53
+ Post IPO Equity Based Compensation	$	0.09
+ Other	$	(0.01)
Cash Generation [1]	**$**	**0.61**
Quarterly Dividend Declared[2]	$	0.60
Cumulative Cash Generation Retained (Net of Dividends Paid or Declared)	$	0.19
Cumulative TRA-Related Cash Tax Savings Net of TRA Amounts Due[3]	$	0.25
Total	**$**	**0.44**

[1] In order to evaluate the Company's quarterly financial performance in relation to the Company's quarterly dividend, management compares the amount of Cash Generation during the quarter to the dividend amount. Management estimates Cash Generation by adding back Post IPO Equity Based Compensation expense (a non-cash expense) to Adjusted Net Income and then adding back certain other non-cash expenses and subtracting certain cash uses that are not expenses.

[2] On July 21, 2016, the Company's board of directors declared a quarterly dividend of $0.60 per share payable on August 31, 2016, to Class A shareholders of record as of the close of business on August 17, 2016.

[3] Because of the Company's corporate structure, the Company benefits from significant tax deductions which reduce the amount of cash taxes the Company must pay. Under the terms of tax receivable agreements (TRAs), the Company is required to pay 85% of the cash tax savings to current or former limited partners (of the Company's subsidiary) whose transactions generated the tax deductions. The remaining 15% of cash tax savings is retained by the Company, and is available to pay as a dividend to holders of Class A common stock, of which 42,025,712 shares were outstanding as of June 30, 2016.

EVALUATING THE QUARTERLY DIVIDEND

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

On slide 15 we have illustrated how we evaluate our financial performance in relation to the quarterly dividend by estimating cash generated for the quarter. We calculate the quarterly cash generation estimate by adding back post-IPO equity-based compensation expense, a non-cash expense, to adjusted net income and then adding back certain other non-cash expenses and subtracting certain cash uses that are not expenses. As you can see, we generated sufficient cash in the second quarter to cover the $0.60 dividend per share. Our cash generation estimate is used to evaluate the quarterly dividend, not to establish the quarterly dividend.

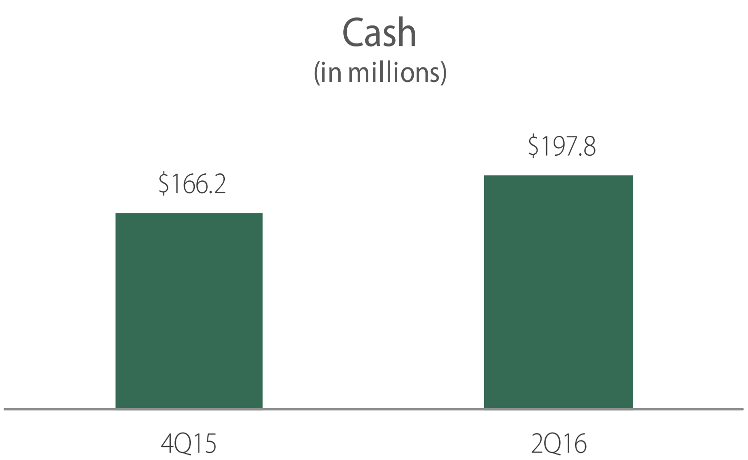
As I mentioned on the last slide, while the Board retains the right to change the quarterly dividend at any time, the quarterly dividend rate for the entire year is typically established at the beginning of each year in light of our expectations about the year ahead. Also in January of each year, the Board also considers whether to pay a special annual dividend with respect to the prior year end and, if so, the amount of that dividend. In making that determination, the Board will consider cumulative cash generated in the year net of dividends paid or declared, cash retained from prior year cash generation, as well as cumulative TRA-related cash tax savings.

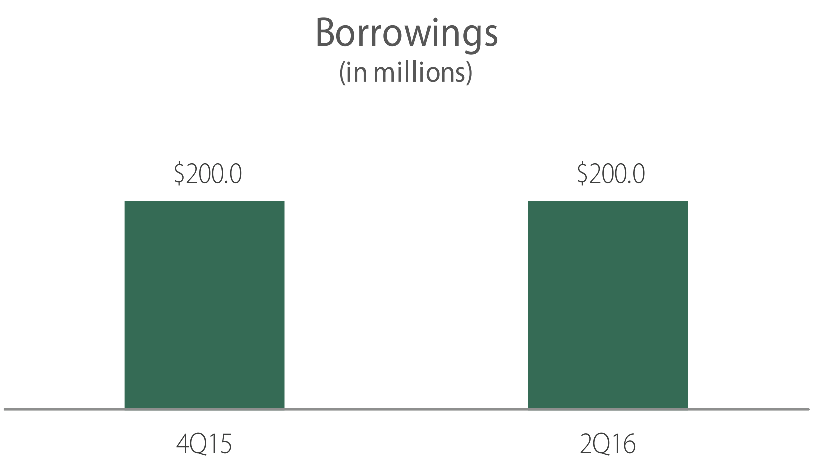
As we announced in January 2016 when we declared the last special annual dividend, we held back $12 million of cash generated during 2015 from the special annual dividend. Together with the TRA cash retained to date, the firm has approximately $25 million or $0.44 per share available for future dividends. That cash can either be used to support our $0.60 quarterly dividend should we generate less cash than the 60 cents in a future quarter or it can be declared as part of our special annual dividend, if any is declared.

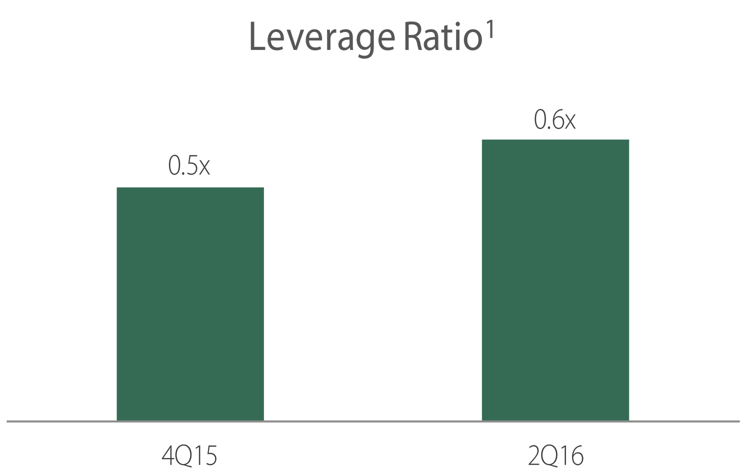
Those cumulative amounts of retained cash generally represent the amount of net cash on our balance sheet after subtracting the $100 million of net cash we target to maintain as a minimum floor. The $100 million of net cash we target to maintain takes into consideration working capital, such as accounts receivable and liabilities not yet paid, like accrued expenses, dividends declared and the amounts that we owe under the TRAs. We believe the $100 million of net cash, along with our $100 million of unused line of credit, currently provides us with sufficient cash to implement our business strategy that may require occasional seeding or investments in key talent.

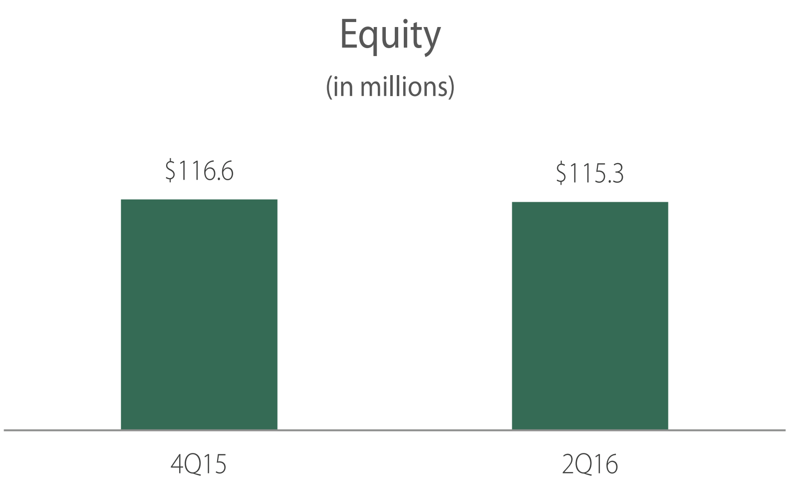
I want to clarify that our dividend policy has not changed since our IPO. We target the payout of the majority, if not all, of our adjusted earnings plus any cash above a conservative view of our operating needs, which we set at $100 million. That payout will be paid to shareholders in the form of quarterly and special annual dividends over time. Hopefully this has helped explain our dividend policy in light of our current quarterly earnings and cash retained.

FINANCIAL RESULTS — Capital Management









[1] Calculated in accordance with debt agreements.

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

Finally our balance sheet. Our balance sheet remains strong with a healthy cash balance and modest leverage at 0.6x. Our borrowings of $200 million are supported by earnings and cash.

Looking forward to the next quarter. AUM at the end of June was lower than our average AUM for the quarter. However, markets have rebounded in July. In addition, we previously suggested that we estimated full year communication and technology expenses to be between $25 to $30 million. Given the spend year to date, we now estimate that the full-year expense will be at the high end or slightly above the original estimate.

In closing, our financial model continues to perform as designed and our high variable expense component provides margin leverage as revenues increase, as experienced this quarter, and margin protection on the downside.

That concludes my prepared remarks. We look forward to your questions and I will now turn the call back to the operator.

APPENDIX

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

	Three Months Ended			Six Months Ended	
	June 30 2016	March 31 2016	June 30 2015	June 30 2016	June 30 2015
Net income attributable to Artisan Partners Asset Management Inc. (GAAP)	**18.3**	**16.3**	**23.8**	**34.6**	**43.3**
Add back: Net income attributable to noncontrolling interests - APH	25.0	24.1	35.5	49.1	69.4
Add back: Provision for income taxes	12.7	11.5	16.5	24.2	21.6
Add back: Pre-offering related compensation - share-based awards	7.2	7.8	10.7	15.0	21.1
Add back: Net (gain) loss on the tax receivable agreements	-	-	-	-	6.4
Adjusted income before income taxes	63.2	59.7	86.5	122.9	161.8
Less: Adjusted provision for income taxes	23.4	22.1	32.1	45.5	59.9
Adjusted net income (Non-GAAP)	**39.8**	**37.6**	**54.4**	**77.4**	**101.9**
Average shares outstanding (in millions)					
Class A common shares	38.0	37.0	36.0	37.5	34.3
Assumed vesting, conversion or exchange of:					
Unvested restricted share-based awards	3.9	3.4	3.3	3.6	3.2
Artisan Partners Holdings LP units outstanding (non-controlling interest)	32.8	33.7	34.2	33.3	35.9
Adjusted shares	**74.7**	**74.1**	**73.5**	**74.4**	**73.4**
Basic and Diluted earnings per share (GAAP)	**$ 0.38**	**$ 0.35**	**$ 0.50**	**$ 0.74**	**$ 0.95**
Adjusted net income per adjusted share (Non-GAAP)	**$ 0.53**	**$ 0.51**	**$ 0.74**	**$ 1.04**	**$ 1.39**
Operating income (GAAP)	**58.9**	**54.8**	**78.3**	**113.7**	**146.1**
Add back: Pre-offering related compensation - share-based awards	7.2	7.8	10.7	15.0	21.1
Adjusted operating income (Non-GAAP)	**66.1**	**62.6**	**89.0**	**128.7**	**167.1**
Operating margin (GAAP)	**32.6%**	**31.4%**	**37.0%**	**32.0%**	**35.2%**
Adjusted operating margin (Non-GAAP)	**36.6%**	**35.8%**	**42.1%**	**36.2%**	**40.3%**

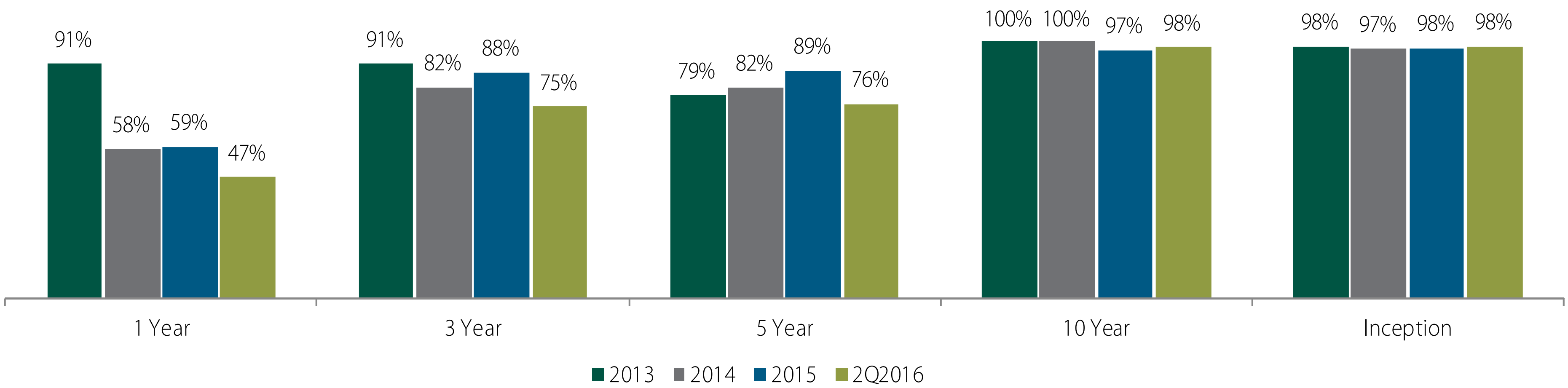
LONG-TERM INVESTMENT RESULTS

As of June 30, 2016	Average Annual Total Returns (Gross) 1 Yr	3 Yr	5 Yr	7 Yr	10 Yr	Inception	Average Annual Value-Added Since Inception (bp)
Global Equity Team							
Artisan Non-U.S. Growth (Inception: 1-Jan-96)	-11.15%	3.35%	5.62%	9.64%	4.81%	10.05%	597
MSCI EAFE Index	-10.16%	2.06%	1.68%	5.96%	1.58%	4.08%	
Artisan Non-U.S. Small-Cap Growth (Inception: 1-Jan-02)	-8.33%	3.45%	6.13%	11.38%	7.28%	13.30%	384
MSCI EAFE Small Cap Index	-3.67%	7.25%	4.84%	9.93%	3.57%	9.46%	
Artisan Global Equity (Inception 1-Apr-10)	-6.81%	6.56%	10.47%	---	---	11.27%	473
MSCI All Country World Index	-3.73%	6.03%	5.37%	---	---	6.54%	
Artisan Global Small-Cap Growth (Inception 1-Jul-13)	-16.89%	0.80%	---	---	---	0.80%	-599
MSCI All Country World Small Cap Index	-4.72%	6.79%	---	---	---	6.79%	
U.S. Value Team							
Artisan U.S. Mid-Cap Value (Inception: 1-Apr-99)	-0.22%	6.35%	9.19%	14.08%	8.98%	13.16%	421
Russell Midcap® Index	0.56%	10.79%	10.89%	16.45%	8.06%	8.95%	
Artisan Value Equity (Inception: 1-Jul-05)	3.66%	8.15%	9.73%	13.24%	7.27%	7.49%	-15
Russell 1000® Index	2.93%	11.47%	11.87%	15.02%	7.50%	7.64%	
Growth Team							
Artisan U.S. Mid-Cap Growth (Inception: 1-Apr-97)	-4.25%	10.20%	10.36%	16.85%	10.60%	15.02%	502
Russell Midcap® Index	0.56%	10.79%	10.89%	16.45%	8.06%	9.99%	
Artisan U.S. Small-Cap Growth (Inception: 1-Apr-95)	-5.88%	9.14%	10.82%	17.18%	8.15%	9.83%	115
Russell 2000® Index	-6.73%	7.08%	8.34%	13.93%	6.19%	8.69%	
Artisan Global Opportunities (Inception: 1-Feb-07)	-0.41%	10.20%	10.30%	16.19%	---	8.98%	600
MSCI All Country World Index	-3.73%	6.03%	5.37%	9.51%	---	2.98%	
Global Value Team							
Artisan Non-U.S. Value (Inception: 1-Jul-02)	-5.86%	6.21%	7.67%	12.38%	7.63%	12.11%	673
MSCI EAFE Index	-10.16%	2.06%	1.68%	5.96%	1.58%	5.38%	
Artisan Global Value (Inception: 1-Jul-07)	-2.25%	7.33%	10.52%	14.41%	---	7.31%	516
MSCI All Country World Index	-3.73%	6.03%	5.37%	9.51%	---	2.16%	
Emerging Markets Team							
Artisan Emerging Markets (Inception: 1-Jul-06)	-3.38%	1.68%	-3.44%	3.69%	3.69%	3.69%	15
MSCI Emerging Markets Index	-12.05%	-1.56%	-3.78%	3.79%	3.54%	3.54%	
Credit Team							
Artisan High Income (Inception: 1-Apr-14)	4.95%	---	---	---	---	5.41%	376
BofA Merrill Lynch High Yield Master II Index	1.71%	---	---	---	---	1.65%	
Developing World Team							
Artisan Developing World (Inception: 1-Jul-15)	-4.06%	---	---	---	---	-4.06%	800
MSCI Emerging Markets Index	-12.05%	---	---	---	---	-12.05%	

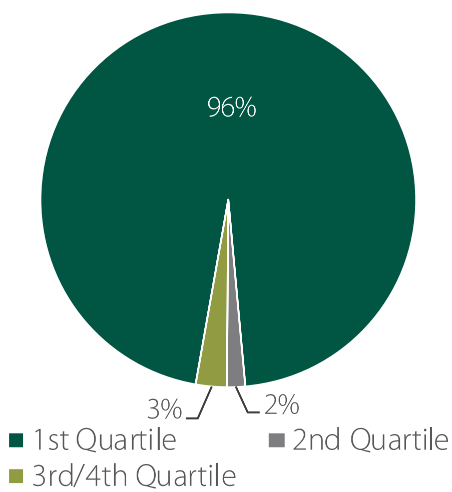
Source: Artisan Partners/MSCI/Russell/BofA Merrill Lynch. Average Annual Total Returns (Gross) represents gross of fees performance for the Artisan Composites. Value add measures the average annual outperformance or underperformance of the gross composite return of each Artisan Partners strategy compared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

LONG-TERM INVESTMENT RESULTS

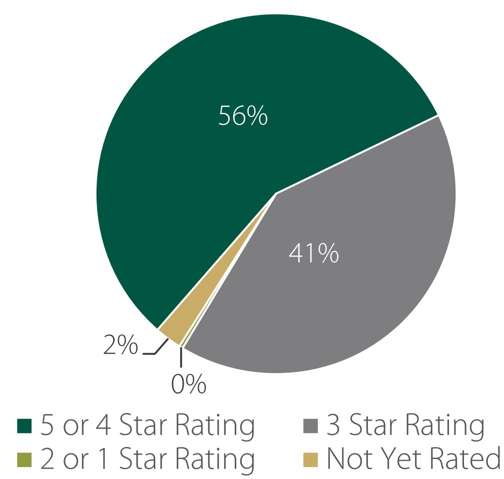
% of AUM in Outperforming Strategies



% of AUM by Overall Lipper Ranking

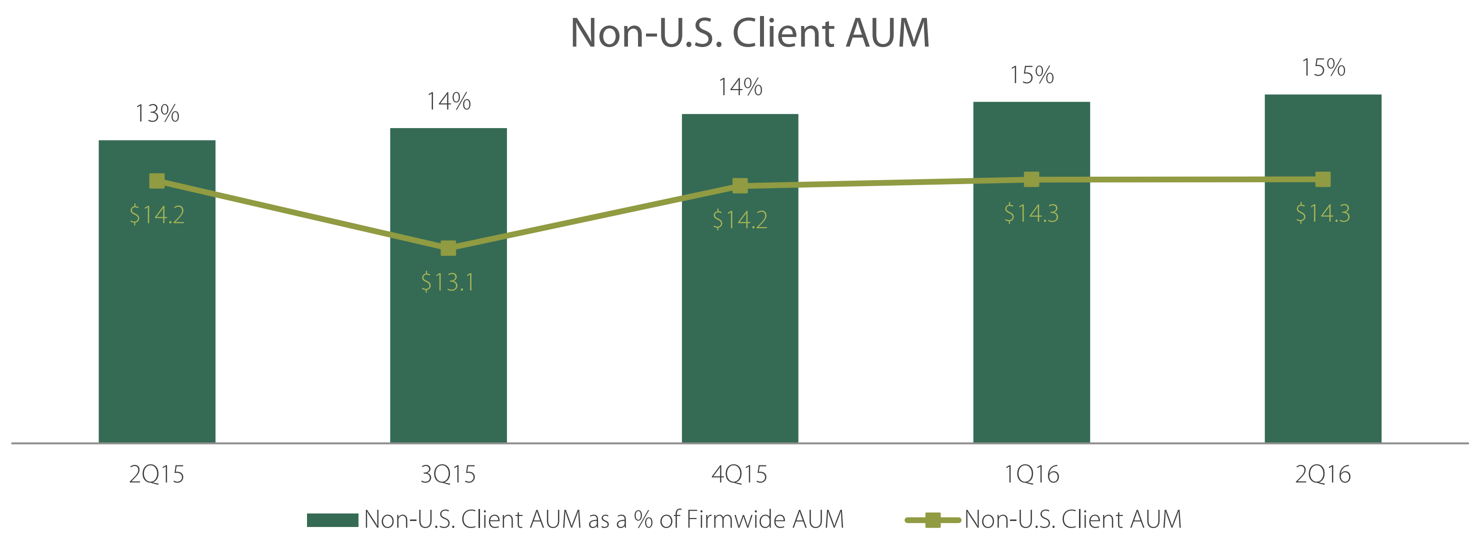


% of AUM by Overall Morningstar Rating™

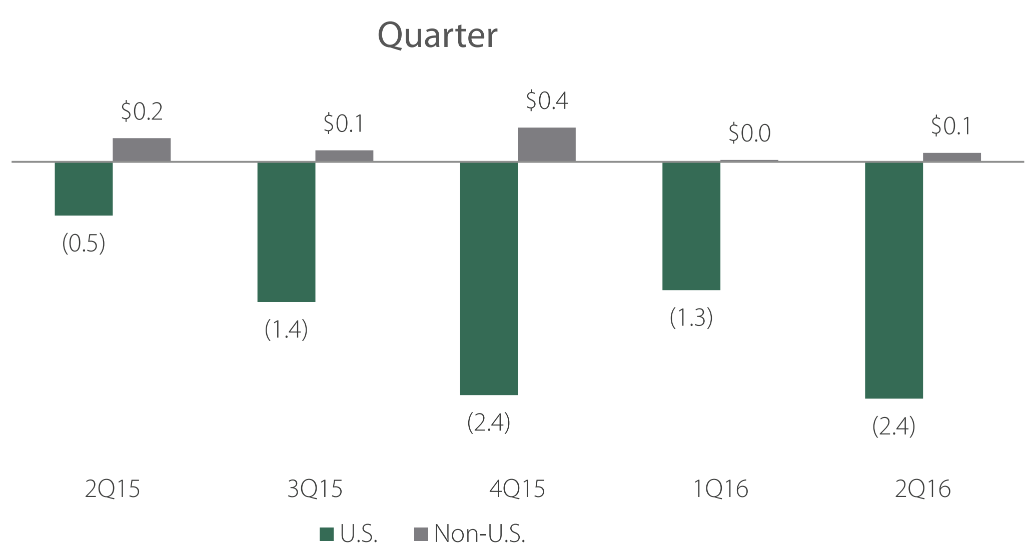


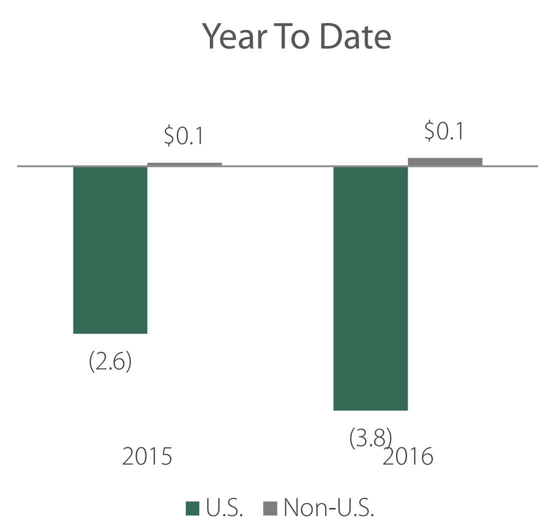
Sources: Artisan Partners/Lipper Inc/Morningstar. % of AUM in Outperforming Strategies at December 31 of each year, unless noted otherwise. % of AUM in Outperforming Strategies represents the % of AUM in those strategies with assets under management as of June 30, 2016, where gross of fees composite 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 and excludes data from strategies and individual accounts for which we have ceased managing assets. Lipper rankings and Morningstar Ratings are as of June 30, 2016. Lipper rankings are based on total return, are historical, and do not represent future results. Lipper Ranking does not include Funds with less than a 1-yr track record. 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.

GLOBAL DISTRIBUTION (in billions)



U.S. vs. Non-U.S. Client Net Flows





NOTES & DISCLOSURES

Forward-Looking Statements

Certain statements in this presentation, 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, 2015, filed with the SEC on February 25, 2016. 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 mutual 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 9% of our assets under management at June 30, 2016, are maintained in separate composites, which are not presented in these materials). Composite data for the following strategies is represented by a single account: Artisan Global Small-Cap Growth and Artisan High Income.

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 are presented gross of investment advisory fees applied to client accounts. Fees, if reflected, would reduce the results presented for an investor in an account managed within a Composite. % of AUM in Outperforming Strategies excludes assets and accounts of the Artisan U.S. Small-Cap Value strategy, which ceased managing assets on May 23, 2016.

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 broad-based market index most commonly used by our clients to compare the performance of the relevant strategy. The market indices used to compare performance for each of our strategies are as follows: Non-U.S. Growth Strategy / Non-U.S. Value Strategy—MSCI EAFE Index; Global Equity Strategy / Global Opportunities Strategy / Global Value Strategy—MSCI ACWI Index; Global Small-Cap Growth Strategy—MSCI ACWI Small Cap Index; Non-U.S. Small-Cap Growth Strategy—MSCI EAFE Small Cap Index; U.S. Mid-Cap Growth Strategy / U.S. Mid-Cap Value Strategy—Russell Midcap® Index; U.S. Small-Cap Growth Strategy—Russell 2000® Index; Value Equity Strategy—Russell 1000® Index; Developing World Strategy / Emerging Markets Strategy—MSCI Emerging Markets Index; High Income Strategy—BofA Merrill Lynch High Yield Master II Index. Unlike the BofA Merrill Lynch High Yield Master II Index, the Artisan High Income Strategy may hold loans and other security types. At times, this causes material differences in relative performance.

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 © 2016 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.

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 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 Emerging Markets Fund—Diversified Emerging Markets; Artisan Global Equity Fund—World Stock; Artisan Global Opportunities Fund—World Stock; Artisan Global Small Cap Fund—World Stock; Artisan Global Value Fund—World Stock; Artisan International Fund—Foreign Large Blend; Artisan International Small Cap Fund—Foreign Small/Mid Growth; Artisan International Value Fund—Foreign Large Blend; Artisan Mid Cap Fund—Mid-Cap Growth; Artisan Mid Cap Value Fund—Mid-Cap Value; Artisan Small Cap Fund—Small Growth; Artisan Value Fund—Large Value. Morningstar ratings are initially given on a fund's three year track record and change monthly. Ratings are based on risk-adjusted returns and are historical and do not represent future results.

NOTES & DISCLOSURES

The Overall Lipper Ranking for a fund is derived from the ranking of each fund's total 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 Emerging Markets Fund—Emerging Markets; Artisan Global Equity Fund—Global Multi-Cap Growth; Artisan Global Opportunities Fund—Global Multi-Cap Growth; Artisan Global Small Cap Fund—Global Small/Mid-Cap; Artisan Global Value Fund—Global Multi-Cap Value; Artisan High Income Fund—High Yield; Artisan International Fund—International Large-Cap Growth; Artisan International Small Cap Fund—International Small/Mid-Cap Growth; Artisan International Value Fund—International Multi-Cap Core; Artisan Mid Cap Fund—Multi-Cap Growth; Artisan Mid Cap Value Fund—Mid-Cap Value; Artisan Small Cap Fund—Small-Cap Growth; Artisan Value Fund—Multi-Cap Value.

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.

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