

Edgar Filing: Artisan Partners Asset Management Inc. - Form 10-K

Artisan Partners Asset Management Inc.
Form 10-K
February 26, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-K
(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2013
OR
 TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934
FOR THE TRANSITION PERIOD FROM TO

Commission file number: 001-35826

Artisan Partners Asset Management Inc.
(Exact name of registrant as specified in its charter)

Delaware 45-0969585
(State or other jurisdiction of (I.R.S. Employer
incorporation or organization) Identification No.)

875 E. Wisconsin Avenue, Suite 800 53202
Milwaukee, WI
(Address of principal executive offices) (Zip Code)

(414) 390-6100
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:
Class A Common Stock, \$0.01 par value The New York Stock Exchange
(Title of each class) (Name of each exchange on which registered)

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

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Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No

The aggregate market value of common equity held by non-affiliates of the registrant at June 28, 2013, which was the last business day of the registrant's most recently completed second fiscal quarter, was approximately \$634,469,845 based on the closing price of \$49.91 for one share of Class A common stock, as reported on the New York Stock Exchange on that date.

The number of outstanding shares of the registrant's Class A common stock, par value \$0.01 per share, Class B common stock, par value \$0.01 per share, and Class C common stock, par value \$0.01 per share, as of February 24, 2014 were 19,849,248, 25,271,889 and 25,206,554, respectively.

DOCUMENTS INCORPORATED BY REFERENCE: Portions of the definitive proxy statement for the 2014 annual meeting of stockholders to be filed pursuant to Regulation 14A are incorporated by reference into Part III of this Report.

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Except where the context requires otherwise, in this report:

"Artisan Funds" refers to Artisan Partners Funds, Inc., a family of Securities and Exchange Commission registered mutual funds.

"Artisan Global Funds" refers to Artisan Partners Global Funds PLC, a family of Ireland-domiciled funds organized pursuant to the European Union's Undertaking for Collective Investment in Transferable Securities ("UCITS").

"client" and "clients" refer to investors who access our investment management services by investing in mutual funds, including the funds of Artisan Funds or Artisan Global Funds, or by engaging us to manage a separate account in one or more of our investment strategies

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(such accounts include collective investment trusts and other pooled investment vehicles for which we are investment adviser, each of which we manage on a separate account basis).

“Company”, “Artisan”, “we”, “us” or “our” refer to Artisan Partners Asset Management Inc. (“APAM”) and, unless the context otherwise requires, its direct and indirect subsidiaries, including Artisan Partners Holdings LP (“Artisan Partners Holdings” or “Holdings”), and, for periods prior to our IPO, “Artisan,” the “company,” “we,” “us” and “our” refer to Artisan Partners Holdings and, unless the context otherwise requires, its direct and indirect subsidiaries. On March 12, 2013, APAM closed its IPO and related IPO Reorganization. Prior to that date, APAM was a subsidiary of Artisan Partners Holdings. The IPO Reorganization and IPO are described in the notes to our consolidated financial statements included in Part II of this Form 10-K.

“IPO” means the initial public offering of 12,712,279 shares of Class A common stock of Artisan Partners Asset Management Inc. completed on March 12, 2013.

“IPO Reorganization” means the series of transactions Artisan Partners Asset Management Inc. and Artisan Partners Holdings completed on March 12, 2013, immediately prior to the IPO, in order to reorganize their capital structures in preparation for the IPO.

“November 2013 Offering” means the public offering of 5,520,000 shares of Class A common stock of Artisan Partners Asset Management Inc. completed on November 6, 2013.

Forward-Looking Statements

This report contains, and from time to time our management may make, forward-looking statements within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. In some cases, you can identify these statements by forward-looking words such as “may”, “might”, “will”, “should”, “expects”, “intends”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue”, the negative of these terms and other comparable terminology. These forward-looking statements, which are subject to risks, uncertainties and assumptions, may include projections of our future financial performance, future expenses, anticipated growth strategies, descriptions of new business initiatives and anticipated trends in our business or financial results. These statements are only predictions based on our current expectations and projections about future events. 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, adverse economic or market conditions, 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 under “Risk Factors” in Item 1A of this Form 10-K. We undertake no obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

Forward-looking statements include, but are not limited to, statements about:

- our anticipated future results of operations;
- our potential operating performance and efficiency;
- our expectations with respect to future levels of assets under management, including the capacity of our strategies and client cash inflows and outflows;
- our financing plans, cash needs and liquidity position;
- our intention to pay dividends and our expectations about the amount of those dividends;
- our expected levels of compensation of our employees;
- our expectations with respect to future expenses and the level of future expenses;
- our expected tax rate, and our expectations with respect to deferred tax assets; and
- our estimates of future amounts payable pursuant to our tax receivable agreements.

Performance and Assets Under Management Information Used in this Report

We manage investments primarily through mutual funds and separate accounts. We serve as investment adviser to Artisan Funds and as investment manager and promoter of Artisan Global Funds. We refer to funds and other accounts that are managed by us with a broadly common investment objective and substantially in accordance with a single model account as being part of the same “strategy”. We measure the results both of our individual funds and 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 are maintained in separate composites, which are not presented in this report). The performance of accounts with socially-based investment restrictions differs from the performance of accounts included in our principal composite for the applicable strategy because one or more securities may be omitted from the portfolio in order to comply with the socially-based restrictions and the weightings in the portfolio of other securities are correspondingly altered. The performance of non-U.S. dollar accounts differs from the performance of the principal composite for the applicable strategy because of the fluctuations in currency exchange rates between the currencies in which portfolio securities are traded and the currency in which the account is managed or U.S. dollars, respectively. Our assets under management in social restriction accounts and non-U.S. dollar accounts represented approximately 2% and 6%, respectively, of our assets under management as of December 31, 2013.

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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. In this report, we refer to the date on which we began tracking the performance of an investment strategy as that strategy's "inception date".

In this report, we present the average annual returns of our composites on a "gross" basis, which represent average annual returns before payment of fees payable to us by any portfolio in the composite and are net of commissions and transaction costs. We also present the average annual returns of certain market indices or "benchmarks" for the comparable period. Indices that are used for these performance comparisons are broad-based market indices that we believe are appropriate comparisons of our investment performance over a full market cycle. The indices are unmanaged and have differing volatility, credit and other characteristics. You should not assume that there is any material overlap between the securities included in the portfolios of our investment strategies during these periods and those that comprise any MSCI Index or any Russell Index referred to in this report. It is not possible to invest directly in any of the indices. The returns of these indices, as presented in this report, have not been reduced by fees and expenses associated with investing in securities, but do include the reinvestment of dividends.

The MSCI EAFE® Index, the MSCI EAFE® Growth Index, the MSCI EAFE® Small Cap Index, the MSCI EAFE® Value Index, the MSCI ACWI® Index and the MSCI Emerging Markets IndexSM are trademarks of MSCI Inc. MSCI Inc. is the owner of all copyrights relating to these indices and is the source of the performance statistics of these indices that are referred to in this report.

The Russell 2000® Index, the Russell 2000® Value Index, the Russell Midcap® Index, the Russell Midcap® Value Index, the Russell 1000® Index, the Russell 1000® Value Index, the Russell Midcap® Growth Index and the Russell 2000® Growth Index are trademarks of Russell Investment Group. Russell Investment Group is the owner of all copyrights relating to these indices and is the source of the performance statistics that are referred to in this report. In this report, we present Morningstar, Inc., or Morningstar, ratings for series of 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 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 RatingTM, 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 RatingTM is derived from a weighted average of the performance figures associated with the rated fund's three-, five- and 10-year Morningstar Rating metrics.

Throughout this report, we present historical information about our assets under management, including information about changes in our assets under management due to gross client cash inflows and outflows, market appreciation and depreciation and transfers between investment vehicles (i.e., Artisan Funds and separate accounts). Gross client cash inflows and outflows represent client fundings, terminations and client initiated contributions and withdrawals (which could be in cash or in securities). Market appreciation (depreciation) represents realized gains and losses, the change in unrealized gains and losses, net income and certain miscellaneous items, immaterial in the aggregate, which may include payment of Artisan's management fees or payment of custody expenses to the extent a client causes these fees to be paid from the account we manage. We also present information about our average assets under management for certain periods. We use our information management systems to track our assets under management, the components of market appreciation and depreciation, and client inflows and outflows, and we believe the information set forth in this report regarding our assets under management, market appreciation and depreciation, and client inflows and outflows is accurate in all material respects. We also present information regarding the amount of our assets under

management and client inflows and outflows sourced through particular investment vehicles and distribution channels. The allocation of assets under management and client flows sourced through particular distribution channels involves estimates because precise information on the sourcing of assets invested in Artisan Funds or Artisan Global Funds through intermediaries is not available on a complete or timely basis and involves the exercise of judgment because the same assets, in some cases, might fairly be said to have been sourced from more than one distribution channel. We have presented the information on our assets under management and client inflows and outflows sourced by distribution channel in the way in which we prepare and use that information in the management of our business. Data on our assets under management sourced by distribution channel and client inflows and outflows are not subject to our internal controls over financial reporting.

None of the information in this report 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.

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PART I

Item 1. Business

Founded in 1994, we are an investment management firm that provides a broad range of U.S., non-U.S. and global equity investment strategies. Since our founding, we have pursued a business model that is designed to maximize our ability to produce attractive investment results for our clients, and we believe this model has contributed to our success in doing so. We focus on attracting, retaining and developing talented investment professionals by creating an environment in which each investment team is provided ample resources and support, transparent and direct financial incentives, and a high degree of investment autonomy. As of December 31, 2013, we offered to clients 13 actively-managed equity investment strategies, managed by five distinct investment teams. Each team is led by one or more experienced portfolio managers with a track record of strong investment performance and is devoted to identifying long-term investment opportunities. We believe this autonomous structure promotes independent analysis and accountability among our investment professionals, which we believe promotes superior investment results. The following table sets forth our revenues and our ending and average assets under management for the periods noted:

	For the Year Ended December 31,		
	2013	2012	2011
	(in millions)		
Total Revenues	\$686	\$506	\$455
Ending assets under management ⁽¹⁾	\$105,477	\$74,334	\$57,104
Average assets under management	\$89,545	\$66,174	\$59,436

⁽¹⁾ We post updated information about our assets under management under the Financial Information section of our Investor Relations website (www.apam.com) after the conclusion of the seventh NYSE trading day of each month. That information is not incorporated by reference into this report.

Our 13 equity investment strategies span different market capitalization segments and investing styles in both U.S. and non-U.S. markets. Each strategy is designed to have a clearly articulated, consistent and replicable investment process that is well-understood by clients and managed to achieve long-term performance. Throughout our history, we have expanded our investment management capabilities in a disciplined manner that we believe is consistent with our overall philosophy of offering high value-added investment strategies in growing asset classes. We have expanded the range of strategies that we offer by launching new strategies managed by our existing investment teams as those teams have developed investment capacity, such as our Global Small-Cap Growth strategy, which we launched in June 2013, as well as by launching new strategies managed by new investment teams recruited to join Artisan. We are currently establishing our sixth autonomous investment team, the Artisan Credit Team, which will manage the Artisan High Income strategy. We expect to launch this strategy, which will be our first fixed income strategy, in the first half of 2014.

We launch a new strategy only when we believe it has the potential to achieve superior investment performance in an area that we believe will have sustained client demand at attractive fee rates over the long term. We strive to maintain the integrity of the investment process followed in each of our strategies by rigorous adherence to the investment parameters we have communicated to our clients. We also carefully monitor our investment capacity in each investment strategy. We believe that management of our investment capacity protects our ability to manage assets successfully, which protects the interests of our clients and, in the long term, protects our ability to retain client assets and maintain our profit margins. In order to better achieve our long-term goals, we are willing to close a strategy to new investors or otherwise take action to slow or restrict its growth, even though our short-term results may be impacted. As of the date of this report, our Non-U.S. Small-Cap Growth, Non-U.S. Value, U.S. Mid-Cap Growth, U.S. Small-Cap Value, U.S. Mid-Cap Value, U.S. Small-Cap Growth and Global Value strategies are closed to most new investors and client relationships.

In addition to our investment teams, we have a management team that is focused on our business objectives of achieving profitable growth, expanding our investment capabilities, diversifying the source of our assets under management and delivering superior client service. Our management team supports our investment management capabilities and manages a centralized infrastructure, which allows our investment professionals to focus primarily on

making investment decisions and generating returns for our clients.

We offer our investment management capabilities primarily to institutions and through intermediaries that operate with institutional-like decision-making processes and have longer-term investment horizons, by means of separate accounts and mutual funds. As of December 31, 2013, we managed approximately 200 separate accounts representing \$45.6 billion, or 43%, of

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our assets under management, spanning 140 client relationships. Our separate account clients include pension and profit sharing plans, trusts, endowments, foundations, charitable organizations, government entities, private funds and non-U.S. funds, as well as mutual funds, non-U.S. funds and collective trusts we sub-advise. We serve as the investment adviser to Artisan Partners Funds Inc., an SEC-registered family of mutual funds that offers shares in multiple classes designed to meet the needs of a range of institutional and other investors, and as investment manager and promoter of Artisan Partners Global Funds PLC, a family of Ireland-based UCITS funds that began operations in the first quarter of 2011 and offers shares to non-U.S. investors. Artisan Funds and Artisan Global Funds comprised \$59.9 billion, or 57%, of our assets under management as of December 31, 2013.

We access traditional institutional clients primarily through relationships with investment consultants and access institutional-like investors primarily through consultants, alliances with major defined contribution/401(k) platforms and relationships with fee-based financial advisors and broker-dealers. We derive essentially all of our revenues from investment management fees, which primarily are based on a specified percentage of clients' average assets under management. These fees are derived from investment advisory and sub-advisory agreements that are terminable by clients upon short notice or no notice.

As of December 31, 2013, we had approximately 300 employees. Our employees, including our investment professionals and senior management, to whom we have granted equity collectively owned approximately 51% of the economic interests in our company as of December 31, 2013.

Investment Teams

As of December 31, 2013, we offered our clients 13 long-only, equity investment strategies spanning market capitalization segments and investing styles in both U.S. and non-U.S. markets. Each of those strategies is managed by one of the investment teams described below. We are currently establishing our sixth autonomous investment team, the Credit Team, which will manage the Artisan High Income strategy that we expect to launch in the first half of 2014. Each team operates autonomously to identify investment opportunities in order to generate strong, long-term investment performance.

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The table below sets forth the total assets under management for each of our investment teams and strategies as of December 31, 2013, the inception date for each investment composite, the value-added by each strategy since inception date, and the Overall Morningstar Rating™ for the series of Artisan Funds managed in that strategy.

Investment Team and Strategy	AUM as of December 31, 2013 (in millions)	Composite Inception Date	Value-Added Since Inception Date ⁽¹⁾ as of December 31, 2013	Fund Rating ⁽²⁾ as of December 31, 2013
Global Equity Team				
Non-U.S. Growth Strategy	\$25,292	January 1, 1996	671	««««««
Non-U.S. Small-Cap Growth Strategy	1,707	January 1, 2002	560	«««««
Global Equity Strategy	266	April 1, 2010	729	««««««
Global Small-Cap Growth Strategy	53	July 1, 2013	(50)	Not yet rated
U.S. Value Team				
U.S. Mid-Cap Value Strategy	15,733	April 1, 1999	589	««««««
U.S. Small-Cap Value Strategy	4,421	June 1, 1997	484	««««
Value Equity Strategy	2,869	July 1, 2005	58	«««««
Growth Team				
U.S. Mid-Cap Growth Strategy	16,649	April 1, 1997	631	«««««
U.S. Small-Cap Growth Strategy	3,041	April 1, 1995	119	«««««
Global Opportunities Strategy	2,702	February 1, 2007	667	««««««
Global Value Team				
Non-U.S. Value Strategy	16,866	July 1, 2002	744	««««««
Global Value Strategy	14,091	July 1, 2007	687	««««««
Emerging Markets Team				
Emerging Markets Strategy	1,746	July 1, 2006	(86)	««
Total AUM as of December 31, 2013 \$105,477 ⁽³⁾				

(1) Value-added since inception date is the amount in basis points by which the average annual gross composite return of each of our strategies has outperformed the market index most commonly used by our clients to compare the performance of the relevant strategy since its inception date. The broad-based 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 IndexSM.

(2) The Morningstar Rating™ compares the risk-adjusted performance of the Artisan Funds series to other funds in a category assigned by Morningstar based on its analysis of the funds' portfolio holdings. The top 10% of funds 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™ is derived from a weighted average of the performance figures associated with the rated fund's three-, five- and 10-year Morningstar Rating metrics. The Artisan Funds, the ratings of

which are reflected in the table above, 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 Global Small Cap Fund-not yet rated; 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.

(3) Includes an additional \$41.2 million in assets managed in a portfolio not currently made available to investors other than our employee-partners to evaluate its potential viability as a strategy to be offered to clients.

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Global Equity Team

Our Global Equity team, which was formed in 1996 and is based in San Francisco and New York, manages four investment strategies: Non-U.S. Growth, Non-U.S. Small-Cap Growth, Global Equity and Global Small-Cap Growth. Mark L. Yockey is the founder of our Global Equity team and has been portfolio manager for our Non-U.S. Growth, Non-U.S. Small-Cap Growth, Global Equity and Global Small-Cap Growth strategies since their inception.

Charles-Henri Hamker and Andrew J. Euretig are associate portfolio managers of the Non-U.S. Growth strategy and portfolio co-managers (with Mr. Yockey) of the Global Equity strategy. Mr. Hamker also serves as portfolio manager of the Non-U.S. Small-Cap Growth strategy with Mr. Yockey. The Non-U.S. Small-Cap Growth strategy is closed to most new investors and client relationships. Messrs. Yockey and Hamker and David Geisler are portfolio co-managers of the Global Small-Cap Growth strategy, which began operations on June 25, 2013.

The Global Equity team employs a fundamental stock selection process focused on identifying companies within its preferred themes with sustainable growth characteristics at valuations that do not fully reflect their long-term potential. The team's objective is to invest in companies that are industry leaders and have meaningful exposure to and will benefit from long-term secular growth trends. To identify long-term, sustainable growth characteristics of potential investments, the team seeks high-quality companies that typically have a sustainable competitive advantage, a superior business model and a high-quality management team. Finally, the team uses multiple valuation metrics to establish a target price range and assesses the relationship between its estimate of a company's sustainable growth prospects and the company's current valuation.

Investment Strategy (Inception Date)	As of December 31, 2013					Inception
	1 Year	3 Years	5 Years	10 Years		
Non-U.S. Growth (January 1, 1996)						
Average Annual Gross Returns	27.55 %	14.7 %	17.93 %	10.22 %	11.97 %	%
MSCI EAFE® Index	22.78 %	8.16 %	12.43 %	6.91 %	5.26 %	%
Non-U.S. Small-Cap Growth (January 1, 2002)						
Average Annual Gross Returns	31.39 %	15.44 %	23.43 %	14.76 %	17.05 %	%
MSCI EAFE® Small Cap Index	29.30 %	9.25 %	18.49 %	9.47 %	11.46 %	%
Global Equity (April 1, 2010)						
Average Annual Gross Returns	31.02 %	17.49 %	—	—	17.56 %	%
MSCI ACWI® Index	22.80 %	9.72 %	—	—	10.27 %	%
Global Small-Cap Growth (July, 1, 2013)						
Average Annual Gross Returns	—	—	—	—	17.79 %	%
MSCI ACWI® Small Cap Index	—	—	—	—	18.29 %	%

U.S. Value Team

Our U.S. Value team, which was formed in 1997 and is based in Atlanta, Georgia, manages three investment strategies: U.S. Small-Cap Value, U.S. Mid-Cap Value and Value Equity. Scott C. Satterwhite, James C. Kieffer, George O. Sertl, Jr. and Daniel L. Kane are the portfolio co-managers for each of these strategies. In September 2013 Mr. Satterwhite provided his three-year advance retirement notice. He plans to continue as portfolio manager on the U.S. Value team through September 2016. The U.S. Small-Cap Value and the U.S. Mid-Cap Value strategies are closed to most new investors and client relationships.

The U.S. Value team's strategies employ a fundamental investment process used to construct diversified portfolios of companies that the investment team believes are undervalued, are in solid financial condition and have attractive business economics. The U.S. Value team believes companies with these characteristics are less likely to experience eroding values over the long term compared to companies without such characteristics.

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The U.S. Value team favors companies with an acceptable level of debt and positive cash flow, which it believes represents financial flexibility and strength, and cash-producing businesses that it believes are capable of earning acceptable returns on capital over the company's business cycle. Once an investment candidate has been identified, the research process includes an in-depth analysis of the company's financial statements, an examination of the company's competitive position within its industry, a thorough analysis and review of the company's resources, and a review of its business economics and cash flows.

The team sets buy and sell targets for a company's securities based on the team's assessment of the company's intrinsic value, which is determined using multiple valuation tools to produce a range of values for the company that the team believes would be reasonable.

Investment Strategy (Inception Date)	As of December 31, 2013							
	1 Year	3 Years	5 Years	10 Years	Inception			
U.S. Small-Cap Value (June 1, 1997)								
Average Annual Gross Returns	28.93 %	10.78 %	18.09 %	10.83 %	13.21 %			
Russell 2000 [®] Index	38.82 %	15.66 %	20.07 %	9.06 %	8.37 %			
U.S. Mid-Cap Value (April 1, 1999)								
Average Annual Gross Returns	37.46 %	18.59 %	22.21 %	13.49 %	15.30 %			
Russell Midcap [®] Index	34.76 %	15.86 %	22.35 %	10.21 %	9.41 %			
Value Equity (July 1, 2005)								
Average Annual Gross Returns	26.85 %	15.71 %	19.16 %	—	8.40 %			
Russell 1000 [®] Index	33.11 %	16.28 %	18.58 %	—	7.82 %			

Growth Team

Our Growth team, which was formed in 1997 and is based in Milwaukee, Wisconsin, manages three investment strategies: U.S. Mid-Cap Growth, Global Opportunities and U.S. Small-Cap Growth. Andrew C. Stephens, James D. Hamel, Matthew H. Kamm and Craigh A. Cepukenas are the portfolio co-managers of all three strategies, and Jason L. White is associate portfolio manager of all three strategies. Mr. Kamm is the lead portfolio manager of the U.S. Mid-Cap Growth strategy; Mr. Hamel is the lead portfolio manager of the Global Opportunities strategy; and Mr. Cepukenas is the lead portfolio manager of the U.S. Small-Cap Growth strategy. The U.S. Mid-Cap Growth and U.S. Small-Cap Growth strategies are currently closed to most new investors and client relationships.

The Growth team's strategies employ a fundamental investment process used to construct diversified portfolios of growth companies. The investment team looks for opportunities across the entire economy in order to find sustainable growth regardless of the sector or industry. The investment process focuses on two distinct areas—security selection and capital allocation. The Growth team's investment process begins by identifying companies that possess franchise characteristics such as strong competitive positions, have attractive valuations relative to similar companies and benefit from an accelerating profit cycle; companies that it believes are well positioned for long-term growth, driven by demand for their products and services, and at an early enough stage in their profit cycles to benefit from the increased cash flows produced by the profit cycle. Based on the investment team's fundamental analysis of a company's profit cycle, the investment team classifies each portfolio holding in one of three stages. GardenSM investments generally are smaller positions in the early part of their profit cycle that may warrant a larger allocation once their profit cycle accelerates. CropSM investments are positions that are being increased to or maintained at a full weight because they are moving through the strongest part of their profit cycle. The majority of the performance in the portfolio has typically been attributed to the investments in this segment. HarvestSM investments are positions that are being reduced as they near the investment team's estimate of full valuation or their profit cycle begins to decelerate.

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Investment Strategy (Inception Date)	As of December 31, 2013							
	1 Year	3 Years	5 Years	10 Years	Inception			
U.S. Mid-Cap Growth (April 1, 1997)								
Average Annual Gross Returns	39.04 %	18.58 %	27.52 %	12.74 %	16.86 %			
Russell Midcap [®] Index	34.76 %	15.86 %	22.35 %	10.21 %	10.55 %			
Global Opportunities (February 1, 2007)								
Average Annual Gross Returns	26.15 %	16.08 %	24.97 %	—	10.31 %			
MSCI ACWI [®] Index	22.80 %	9.72 %	14.91 %	—	3.64 %			
U.S. Small-Cap Growth (April 1, 1995)								
Average Annual Gross Returns	44.71 %	23.15 %	27.21 %	11.18 %	10.94 %			
Russell 2000 [®] Index	38.82 %	15.66 %	20.07 %	9.06 %	9.75 %			

Global Value Team

Our Global Value team, which was formed in 2002 and is based in San Francisco, California, manages two investment strategies: Non-U.S. Value and Global Value. N. David Samra and Daniel J. O’Keefe are the portfolio co-managers of both strategies. Mr. Samra is the lead portfolio manager of the Non-U.S. Value strategy, and Mr. O’Keefe is the lead portfolio manager of the Global Value strategy. Both the Non-U.S. Value and Global Value strategies are closed to most new investors and client relationships.

The Global Value team’s strategies employ a fundamental investment process used to construct diversified portfolios of companies. The team’s investment process focuses on identifying high quality, undervalued businesses that offer the potential for superior risk/return outcomes. The investment team seeks to invest in companies with strong competitive positions in their industries and histories of generating strong free cash flow and improving returns on capital, at a price that is a significant discount from the team’s estimate of the intrinsic value of the business. The investment team believes these criteria help rule out businesses that may appear undervalued based on certain financial ratios but whose intrinsic values are deteriorating over time. The investment team also believes that investing in companies with strong balance sheets reduces the potential for investment losses and provides company management the ability to create stockholder value when attractive opportunities are available. The investment team’s research process also attempts to identify management teams with a history of building value for their stockholders.

Investment Strategy (Inception Date)	As of December 31, 2013							
	1 Year	3 Years	5 Years	10 Years	Inception			
Non-U.S. Value (July 1, 2002)								
Average Annual Gross Returns	32.35 %	15.43 %	20.11 %	13.62 %	14.98 %			
MSCI EAFE [®] Index	22.78 %	8.16 %	12.43 %	6.91 %	7.54 %			
Global Value (July 1, 2007)								
Average Annual Gross Returns	33.74 %	18.52 %	21.43 %	—	9.41 %			
MSCI ACWI [®] Index	22.80 %	9.72 %	14.91 %	—	2.54 %			

Emerging Markets Team

Our Emerging Markets team, which was formed in 2006 and is based in New York, New York, manages a single investment strategy. Maria Negrete-Gruson is the portfolio manager for the Emerging Markets strategy.

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The Emerging Markets team believes that, over the long term, a company's stock price is directly related to its ability to deliver sustainable earnings. Investment opportunities develop when businesses with sustainable earnings are undervalued relative to global peers and historical industry, country and regional valuations. Accordingly, the Emerging Markets strategy employs a fundamental research process focused on identifying companies that are priced at a discount relative to the investment team's estimate of their sustainable earnings. To estimate a company's sustainable earnings, the investment team uses both financial and strategic analyses. The financial analysis focuses on a company's balance sheet, income statement and statement of cash flows in order to identify historic drivers of return on equity. The business analysis examines a company's competitive advantages and financial strength in order to assess sustainability. After conducting its strategic and financial analyses, the investment team incorporates company-specific and macroeconomic risks into its valuation analysis to develop a risk-adjusted target price. The risk assessment includes a review of currency, interest rate, monetary and fiscal policy and political risks to which a company is exposed. Using these methods, the investment team values a business and develops a price target which it uses to determine whether to make an investment.

Investment Strategy (Inception Date)	As of December 31, 2013					Inception
	1 Year	3 Years	5 Years	10 Years		
Emerging Markets (July 1, 2006)						
Average Annual Gross Returns	(2.69)%	(5.79)%	13.34 %	—		5.60 %
MSCI Emerging Markets Index SM	(2.60)%	(2.06)%	14.78 %	—		6.45 %

Distribution, Investment Products and Client Relationships

The goal of our marketing, distribution and client service efforts is to establish and maintain a client base that is diversified by investment strategy, investment vehicle (for example, across mutual funds and separate accounts), distribution channel (for example, institutional, defined contribution/401(k), broker-dealer, financial adviser and retail) and geographic region. We focus our distribution and marketing efforts on institutions and on intermediaries that operate with institutional-like, centralized decision-making processes and longer-term investment horizons. We have designed our distribution strategies and structured our distribution teams to use knowledgeable, seasoned marketing and client service professionals in a way intended to limit the time our investment professionals are required to spend in marketing and client service activities. We believe that minimizing other demands allows our portfolio managers and other investment professionals to focus their energies and attention on the investment decision-making process, which we believe enhances the opportunity to achieve superior investment returns. Our distribution efforts are centrally managed by Dean J. Patenaude, Executive Vice President-Global Distribution, who oversees and coordinates the efforts of our marketing and client service professionals. We are expanding our distribution efforts into non-U.S. markets, with our primary non-U.S. efforts focused currently on the United Kingdom, other member countries of the European Union, Australia and certain Asian countries where we believe there is growing demand for global and non-U.S. investment strategies. In our non-U.S. distribution efforts, we use regional specialists who draw on the knowledge and expertise of our strategy-focused professionals. As of December 31, 2013, 11% our total assets under management was sourced from clients located outside the United States.

Institutional Clients Sourced Directly and through Investment Consultants

As of December 31, 2013, we provided asset management services to approximately 200 separate accounts maintained by institutional clients, such as U.S.-registered mutual funds, non-U.S. funds and collective investment trusts we sub-advise; state and local governments; employee benefit plans including Taft-Hartley plans; foundations; endowments; hospital and healthcare systems and religious organizations. We offer our investment products to institutional clients directly and by marketing our services to the investment consultants that advise them. Institutional clients that do not use investment consultants typically operate in a similar fashion, but with employees performing the services often provided by consultants. As of December 31, 2013, approximately 33% of our assets under management were sourced through investment consultants, and no single consulting firm represented clients (including investors in Artisan Funds) having more than 6% of our assets under management.

Defined Contribution/401(k) Plan Assets

We believe that defined contribution/401(k) plan assets are particularly attractive both because of participants' regular contributions to their individual accounts and because of the long-term nature of the defined contribution/401(k) investment horizon.

An investor in the defined contribution marketplace may access our services via Artisan Funds shares and separate accounts (including collective investment trusts). Although the vehicles utilized in the defined contribution marketplace continue to evolve, most of our defined contribution/401(k) assets under management continue to be invested in Artisan Funds, shares of

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which are offered as an investment option on a number of 401(k) platforms, which provide investors in individual 401(k) and other defined contribution retirement plans with access to a range of mutual fund options.

As of December 31, 2013, 20% of our assets under management were sourced through the defined contribution/401(k) channel. Approximately 75% of our assets under management in the defined contribution/401(k) channel were invested through 401(k) platforms, and our largest 401(k) plan provider relationship accounted for approximately 6% of our assets under management.

Broker-Dealers

We maintain relationships with a number of major brokerage firms and larger private banks. More broker-dealers have moved to an open architecture model under which they strive to offer “best-in-breed” investment strategies to their clients, as do the larger private banks and trust companies with which we have relationships. In those organizations, the process for identifying which funds to offer has been centralized to a relatively limited number of key decision-makers that exhibit institutional decision-making behavior, which we believe allows us to gain broad exposure to broker-dealer and private bank clients in a manner consistent with our marketing strategy. As of December 31, 2013, 21% of our assets under management were sourced through third-party broker-dealers and private banks and trust companies, and our largest broker-dealer or private bank or trust company relationship represented approximately 3% of our assets under management.

Financial Advisors

We maintain relationships with a number of financial advisory firms that offer our investment products to their clients. These advisors range from relatively small firms to large organizations. We access high net worth individuals and other non-institutional or small institutional investors through these relationships. As of December 31, 2013, approximately 10% of our assets under management were sourced through financial advisors, and the financial advisor from whom we have received the largest portion of client assets accounted for less than 1% of our assets under management.

Retail

We primarily access retail investors indirectly through mutual fund supermarkets through which investors have the ability to purchase and redeem shares without another intermediary. The providers of mutual fund supermarkets typically have recommended lists that are effective in promoting purchases of shares of mutual funds included in the list. Investors can also invest directly in the series of Artisan Funds. Our subsidiary, Artisan Partners Distributors LLC, a registered broker-dealer, distributes shares of Artisan Funds. Publicity and reviews and rankings from Morningstar, Lipper and others are important in building the Artisan brand, which is important in attracting retail investors. As a result, we publicize the ratings and rankings received by the series of Artisan Funds and work to ensure that potential retail investors have appropriate information to evaluate a potential investment in Artisan Funds. We do not generally use direct marketing campaigns as we believe that their cost outweighs their potential benefits. As of December 31, 2013, approximately 6% of our assets under management were sourced from investors we categorize as retail investors.

Access Through a Range of Investment Vehicles

Our clients access our investment strategies through a range of investment vehicles, including separate accounts and mutual funds. As of December 31, 2013, approximately 43% of our assets under management were in separate accounts, including U.S.-registered mutual funds other than Artisan Funds, non-U.S. funds and collective investment trusts we sub-advise, and Artisan Funds and Artisan Global Funds accounted for approximately 57% of our total assets under management.

Separate Accounts

We currently manage separate account assets within each of our investment strategies. A separately managed account is often necessary to meet the needs of our clients. We generally require a minimum account size of \$20 million to \$50 million, depending on the strategy, to manage a separate account. The separate accounts we manage include all or part of the portfolios of several U.S.-registered mutual funds and non-U.S.-based funds pursuant to sub-advisory agreements with their primary advisers. The institutions with which we enter into sub-advisory relationships include financial services companies supplementing their own product offerings with products externally managed by managers in the investment strategies we provide. The U.S.-registered funds that we sub-advise are generally either

multi-manager funds, in which we manage only a portion of the fund's portfolio, or funds the shares of which are not generally offered broadly to the U.S. investing public. The non-U.S. funds that we sub-advise allow us to offer our strategies in markets to which we do not otherwise have access and may be multi-manager funds or we may be the only portfolio manager. In each case, the portfolio or sub-portfolio we manage is managed in accordance with one of our identified investment strategies. We also offer access to our Non-U.S. Growth, Value Equity and Global Opportunities strategies through collective investment trusts. The fees we charge our separate accounts vary by client, investment strategy and the size of the account and are accrued monthly.

Artisan Funds and Artisan Global Funds

U.S. investors that do not meet our minimum account size for a separate account, or who otherwise prefer to invest through a mutual fund, can invest in our strategies through Artisan Funds. We serve as the investment adviser to each series of Artisan

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Funds, SEC-registered mutual funds that offer no-load, open-end share classes designed to meet the needs of a range of institutional and other investors. Each series of Artisan Funds corresponds to one of the investment strategies we offer to clients. In contrast to some mutual funds, investors in Artisan Funds pay no 12b-1 fees, which are fees charged to investors in addition to management fees to pay for marketing, advertising and distribution services associated with the mutual funds. Expenses for marketing, advertising and distribution services related to Artisan Funds, including payments to broker-dealers and other intermediaries for selling, servicing and administering accounts, are operating expenses that we pay out of the investment management fees we earn. We earn investment management fees, which are based on the average daily net assets of each Artisan Fund and are paid monthly, for serving as investment adviser to these funds.

We also serve as investment manager and promoter of Artisan Global Funds, a family of Ireland-based UCITS funds. Artisan Global Funds began operations in the first quarter of 2011 and offers shares to non-U.S. investors. Currently we offer a sub-fund of Artisan Global Funds corresponding to each of the Global Value, Global Equity, Value Equity and Emerging Markets strategies. As with Artisan Funds, investors in Artisan Global Funds do not pay fees for marketing, advertising and distribution services. Expenses for marketing, advertising and distribution services related to Artisan Global Funds, including payments to broker-dealers and other intermediaries for selling, servicing and administering accounts, are operating expenses that we pay out of the investment management fees we earn, which are based on the average daily net assets of each sub-fund and are paid monthly.

Regulatory Environment and Compliance

Our business is subject to extensive regulation in the United States at the federal level and, to a lesser extent, the state level, as well as by self-regulatory organizations and outside the United States. Under these laws and regulations, agencies that regulate investment advisers have broad administrative powers, including the power to limit, restrict or prohibit an investment adviser from carrying on its business in the event that it fails to comply with such laws and regulations. Possible sanctions that may be imposed include the suspension of individual employees, limitations on engaging in certain lines of business for specified periods of time, revocation of investment adviser and other registrations, censures and fines.

SEC Regulation

Artisan Partners Limited Partnership and Artisan Partners UK LLP are registered with the SEC as investment advisers under the Advisers Act, and Artisan Funds and several of the investment companies we sub-advise are registered under the 1940 Act. The Advisers Act and the 1940 Act, together with the SEC's regulations and interpretations thereunder, impose substantive and material restrictions and requirements on the operations of advisers and mutual funds. The Securities Act and the Exchange Act, along with the regulations and interpretations thereunder, impose additional restrictions and requirements on mutual funds. The SEC is authorized to institute proceedings and impose sanctions for violations of those Acts, ranging from fines and censures to termination of an adviser's registration. As an investment adviser, we have a fiduciary duty to our clients. The SEC has interpreted that duty to impose standards, requirements and limitations on, among other things: trading for proprietary, personal and client accounts; allocations of investment opportunities among clients; use of soft dollars; execution of transactions; and recommendations to clients. We manage accounts for our clients on a discretionary basis, with authority to buy and sell securities for each portfolio, select broker-dealers to execute trades and negotiate brokerage commission rates. In connection with certain of these transactions, we receive soft dollar credits from broker-dealers that have the effect of reducing certain of our expenses. All of our soft dollar arrangements are intended to be within the safe harbor provided by Section 28(e) of the Exchange Act. If our ability to use soft dollars were reduced or eliminated as a result of the implementation of statutory amendments or new regulations, our operating expenses would increase.

As a registered adviser, we are subject to many additional requirements that cover, among other things, disclosure of information about our business to clients; maintenance of written policies and procedures; maintenance of extensive books and records; restrictions on the types of fees we may charge; custody of client assets; client privacy; advertising; and solicitation of clients. The SEC has authority to inspect any investment adviser and typically inspects a registered adviser periodically to determine whether the adviser is conducting its activities (i) in accordance with applicable laws, (ii) in a manner that is consistent with disclosures made to clients and (iii) with adequate systems and procedures to ensure compliance.

For the year ended December 31, 2013, 69% of our revenues were derived from our advisory services to investment companies registered under the 1940 Act, including 67% from our advisory services to Artisan Funds. The 1940 Act imposes significant requirements and limitations on a registered fund, including with respect to its capital structure, investments and transactions. While we exercise broad discretion over the day-to-day management of the business and affairs of Artisan Funds and the investment portfolios of Artisan Funds and the funds we sub-advise, our own operations are subject to oversight and management by each fund's board of directors. Under the 1940 Act, a majority of the directors must not be "interested persons" with respect to us (sometimes referred to as the "independent director" requirement). The responsibilities of the board include, among other things, approving our investment management agreement with the fund; approving other service providers; determining the method of valuing assets; and monitoring transactions involving affiliates. Our investment management agreements with these

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funds may be terminated by the funds on not more than 60 days' notice, and are subject to annual renewal by the fund's board after the initial term of one to two years. The 1940 Act also imposes on the investment adviser to a mutual fund a fiduciary duty with respect to the receipt of the adviser's investment management fees. That fiduciary duty may be enforced by the SEC, by administrative action or by litigation by investors in the fund pursuant to a private right of action.

As required by the Advisers Act, our investment management agreements may not be assigned without the client's consent. Under the 1940 Act, investment management agreements with registered funds (such as the mutual funds we manage) terminate automatically upon assignment. The term "assignment" is broadly defined and includes direct assignments as well as assignments that may be deemed to occur upon the transfer, directly or indirectly, of a controlling interest in us.

Artisan Partners Distributors LLC, our SEC-registered broker-dealer subsidiary, is subject to the SEC's Uniform Net Capital Rule, which requires that at least a minimum part of a registered broker-dealer's assets be kept in relatively liquid form. At December 31, 2013, Artisan Partners Distributors LLC had net capital of \$143,805, which was \$118,805 in excess of its required net capital of \$25,000.

ERISA-Related Regulation

We are a fiduciary under ERISA with respect to assets that we manage for benefit plan clients subject to ERISA. ERISA, regulations promulgated thereunder and applicable provisions of the Internal Revenue Code impose certain duties on persons who are fiduciaries under ERISA, prohibit certain transactions involving ERISA plan clients and provide monetary penalties for violations of these prohibitions.

Non-U.S. Regulation

In addition to the extensive regulation we are subject to in the United States, one of our subsidiaries, Artisan Partners UK LLP, is authorized and regulated by the U.K. Financial Conduct Authority, which is responsible for the conduct of business and supervision of financial firms in the United Kingdom. The Central Bank of Ireland imposes requirements on UCITS funds subject to regulation by it, including Artisan Global Funds, as do the regulators in certain other markets in which shares of Artisan Global Funds are offered for sale, and with which we are required to comply. We are also subject to regulation internationally by the Australian Securities and Investments Commission, where we operate pursuant to an order of exemption, and by various Canadian regulatory authorities in the Canadian provinces where we operate pursuant to exemptions from registration. Our business is also subject to the rules and regulations of the countries in which we conduct investment management activities. We may become subject to additional regulatory demands in the future to the extent we expand our business in existing and new jurisdictions. See "Risk Factors—Risks Related to our Industry—We are subject to extensive regulation" and "Risk Factors—Risks Related to our Industry—The regulatory environment in which we operate is subject to continual change, and regulatory developments designed to increase oversight may adversely affect our business."

Competition

In order to grow our business, we must be able to compete effectively for assets under management. Historically, we have competed to attract assets to our management principally on the basis of:

- the performance of our investment strategies;
- continuity of our investment professionals;
- the quality of the service we provide to our clients; and
- our brand recognition and reputation within the institutional investing community.

Our ability to continue to compete effectively will also depend upon our ability to retain our current investment professionals and employees and to attract highly qualified new investment professionals and employees. We compete in all aspects of our business with a large number of investment management firms, commercial banks, broker-dealers, insurance companies and other financial institutions. For additional information concerning the competitive risks that we face, see "Risks Factors—Risks Related to Our Industry—The investment management industry is intensely competitive".

Operations, Systems and Technology

We generally use third-party software and technology for middle- and back-office functions such as trade confirmation, trade settlement, custodian reconciliations, corporate action processing, performance calculation and

client reporting, customized as necessary to support our investment processes and operations. Artisan Funds and Artisan Global Funds outsource the functions of custodian, transfer agent and portfolio accounting agent to third parties whose services to Artisan Funds or Artisan Global Funds we supervise. We also have back-up and disaster recovery systems in place.

Employees

As of December 31, 2013, we employed approximately 300 full-time and part-time employees, including six executive officers and 82 members of our investment teams, including portfolio managers and analysts, research associates, traders and support

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staff. Our employees also include our sales and client service team, our legal and compliance team, our information technology team and our administrative, operations and support staff. None of our employees is subject to collective bargaining agreements. We consider our relationship with our employees to be good and have not experienced interruptions of operations due to labor disagreements.

Our Structure and Reorganization

Holding Company Structure. We are a holding company and our assets principally consist of our ownership of partnership units of Artisan Partners Holdings, deferred tax assets and cash. As the sole general partner of Artisan Partners Holdings, we operate and control all of its business and affairs, subject to certain voting rights of its limited partners. We conduct all of our business activities through operating subsidiaries of Artisan Partners Holdings. Net profits and net losses are allocated based on the ownership of partnership units of Artisan Partners Holdings. As of December 31, 2013, we owned approximately 29% of Artisan Partners Holdings, and the other 71% was owned by the limited partners of Artisan Partners Holdings.

The historical consolidated financial statements presented and discussed elsewhere in this document are the combined and consolidated results of Artisan Partners Asset Management and Artisan Partners Holdings. Because Artisan Partners Asset Management and Artisan Partners Holdings were under common control at the time of the IPO Reorganization, Artisan Partners Asset Management's acquisition of control of Artisan Partners Holdings was accounted for as a transaction among entities under common control. Artisan Partners Asset Management has been allocated a part of Artisan Partners Holdings' net income since March 12, 2013, when it became Artisan Partners Holdings' general partner as part of the IPO Reorganization discussed below.

IPO Reorganization. In March 2013, we completed our IPO. In connection with the IPO, we and Artisan Partners Holdings completed a series of reorganization transactions, which we refer to as the IPO Reorganization, in order to reorganize our capital structures in preparation for the IPO. The IPO Reorganization was designed to create a capital structure that preserves our ability to conduct our business through Artisan Partners Holdings, while permitting us to raise additional capital and provide access to liquidity through a public company. Multiple classes of securities at the public company level were necessary to achieve those objectives and maintain a corporate governance structure consistent with that of Artisan Partners Holdings prior to the IPO Reorganization. The IPO Reorganization included, among other changes, the following:

• Our appointment as the sole general partner of Artisan Partners Holdings.

The modification of our capital structure into three classes of common stock and a series of convertible preferred stock. We issued shares of our Class B common stock, Class C common stock and convertible preferred stock to pre-IPO partners of Artisan Partners Holdings. Each share of Class B common stock corresponds to a Class B common unit of Artisan Partners Holdings. Each share of Class C common stock corresponds to either a Class A, Class D or Class E common unit of Artisan Partners Holdings or a preferred unit of Artisan Partners Holdings. In general, subject to certain restrictions, each common and preferred unit of Artisan Partners Holdings (together with the corresponding share of Class B or Class C common stock) will be exchangeable for a share of our Class A common stock beginning on March 12, 2014 (the first anniversary of our IPO).

A corporation ("H&F Corp") merged with and into Artisan Partners Asset Management, which we refer to in this document as the H&F Corp Merger. As consideration for the merger, the shareholder of H&F Corp received shares of our convertible preferred stock, contingent value rights, or CVRs, issued by Artisan Partners Asset Management and the right to receive an amount of cash equal to H&F Corp's share of the post-IPO distribution of Artisan Partners Holdings' pre-IPO retained profits. In connection with an underwritten public offering by us completed in November 2013, referred to in this document as the November 2013 Offering, the CVRs issued by Artisan Partners Asset Management were terminated with no amounts paid or payable thereunder.

The voting and certain other rights of each class of limited partnership units of Artisan Partners Holdings were modified. In addition, the preferred units were modified to eliminate the associated put right. In exchange for the elimination of the put right that existed prior to our IPO, Artisan Partners Holdings issued CVRs to the holders of the preferred units. In connection with the November 2013 Offering, the CVRs issued by Artisan Partners Holdings were terminated with no amounts paid or payable thereunder.

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We entered into two tax receivable agreements ("TRAs"), one with the pre-H&F Corp Merger shareholder of H&F Corp and the other with each limited partner of Artisan Partners Holdings. Pursuant to the first TRA, we will pay to the counterparty a portion of certain tax benefits we realized as a result of the H&F Corp Merger. Pursuant to the second TRA, we will pay to the counterparties a portion of certain tax benefits realized as a result of the purchase of Class A common units of Artisan Partners Holdings in connection with our IPO and future exchanges of limited partnership units of Artisan Partners Holdings for shares of our Class A common stock or convertible preferred stock, as applicable, and future purchases or redemptions of such units.

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The diagram below depicts our organizational structure as of December 31, 2013:

- AIC and each of our employees to whom we have granted equity have entered into a stockholders agreement with respect to all shares of our common stock they have acquired from us and any shares they may acquire from us in the future, pursuant to which they granted an irrevocable voting proxy to a stockholders committee currently consisting of a designee of AIC, who is Andrew A. Ziegler (our Executive Chairman), and Eric R. Colson (our President and Chief Executive Officer). Mr. Ziegler currently has the right to determine the vote of all of the shares subject to the stockholders agreement. On March 12, 2014, in connection with the expected termination of Mr. Ziegler's employment with us, he will cease to be a member of the committee. At that time, we expect the committee to consist of Mr. Colson, Charles J. Daley, Jr. (our Executive Vice President, Chief Financial Officer and Treasurer) and Gregory K. Ramirez (our Senior Vice President), and shares subject to the stockholders agreement will be voted in accordance with the majority decision of those three members.
- (1) Each share of Class B common stock initially entitles its holder to five votes per share. The stockholders committee holds an irrevocable proxy to vote the shares of our common stock held by the Class B common stockholders.
 - (2) Economic rights of the Class A common stock, the common units and the GP units are subject to the preference described under "Risk Factors—In the case of dissolution of Artisan Partners Holdings or a partial capital event, the rights of the holders of our Class A common stock to distributions will be subject to the H&F preference."
 - (3) We are obligated to vote the preferred units we hold at the direction of our convertible preferred stockholders.
 - (4) Each class of common units generally entitles its holders to the same economic and voting rights in Artisan Partners Holdings as each other class of common units, except that the Class E common units have no voting rights except as required by law.
 - (5)

Available Information

Our principal executive offices are located at 875 E. Wisconsin Avenue, Suite 800, Milwaukee, Wisconsin 53202. Our telephone number at this address is (414) 390-6100 and our website address is www.artisanpartners.com. Information contained on our website is not part of, nor is it incorporated by reference into, this Form 10-K. The company was incorporated in Wisconsin on March 21, 2011 and converted to a Delaware corporation on October 29, 2012.

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The public may read and copy any of the materials we file with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330. The SEC also maintains an Internet site that contains reports, proxies and information statements, and other information regarding issuers that file electronically with the SEC at www.sec.gov.

Item 1A. Risk Factors

An investment in our Class A common stock involves substantial risks and uncertainties. You should carefully consider each of the risks below, together with all of the other information contained in this document, before deciding to invest in shares of our Class A common stock. If any of the following risks develops into an actual event, our business, financial condition or results of operations could be negatively affected, the market price of your shares could decline and you could lose all or part of your investment.

Risks Related to our Business

The loss of key investment professionals or members of our senior management team could have a material adverse effect on our business.

We depend on the skills and expertise of our portfolio managers and other investment professionals and our success depends on our ability to retain the key members of our investment teams, who possess substantial experience in investing and have been primarily responsible for the historically strong investment performance we have achieved. Each of our four largest investment strategies represented approximately 15% or more, and in the aggregate those four strategies represented 71%, of our assets under management as of December 31, 2013. Each of those four strategies has been managed by one or more of its current portfolio managers since the strategy's inception at Artisan (with the exception of the U.S. Mid-Cap Value strategy, which has been managed by James C. Kieffer and Scott C. Satterwhite since 2001, along with George O. Sertl, Jr. since 2006 and Daniel L. Kane since September 2013). Mark L. Yockey is the sole portfolio manager for our largest strategy, the Non-U.S. Growth strategy, which represented \$25.3 billion, or 24%, of our assets under management as of December 31, 2013. Charles-Henri Hamker and Andrew J. Euretig are associate portfolio managers of the Non-U.S. Growth strategy. Our Non-U.S. Value strategy, which is our second largest strategy and represented \$16.9 billion, or 16%, of our assets under management as of December 31, 2013, is managed by co-managers N. David Samra (lead manager) and Daniel J. O'Keefe. Andrew C. Stephens, James D. Hamel, Matthew A. Kamm and Craig A. Cepukenas are portfolio co-managers and Jason L. White is associate portfolio manager of our third largest strategy, the U.S. Mid-Cap Growth strategy, which represented \$16.6 billion, or 16%, of our assets under management as of December 31, 2013. The U.S. Mid-Cap Value strategy, of which Messrs. Kieffer, Satterwhite, Sertl and Kane are co-managers, is our fourth largest strategy and represented \$15.7 billion, or 15% of our assets under management as of December 31, 2013. On September 30, 2013, Mr. Satterwhite provided his three-year advance retirement notice. He plans to continue as portfolio manager on the U.S. Value team, including with respect to the U.S. Mid-Cap Value strategy, through September 2016.

Because of the long tenure and stability of our portfolio managers, our clients generally attribute the investment performance we have achieved to these individuals. While we have experienced very few departures among our portfolio managers, there can be no assurance that this stability will continue in the future. The departure of a strategy's portfolio manager, especially for strategies with only one portfolio manager, could cause clients to withdraw funds from the strategy which would reduce our assets under management, investment management fees and, if we were not able to reduce our expenses sufficiently, our net income, and these reductions could be material if our assets under management in that strategy and the related revenues were material. The departure of a strategy's portfolio manager also could cause consultants and intermediaries to stop recommending a strategy, and clients to refrain from allocating additional funds to the strategy or delay such additional funds until a sufficient track record under a new portfolio manager or managers has been established.

We also depend on the contributions of our senior management team led by Eric R. Colson. In addition, our senior marketing and client service personnel have direct contact with our institutional clients and consultants and other key individuals within each of our distribution channels. The loss of any of these key professionals could limit our ability to successfully execute our business strategy and may prevent us from sustaining the historically strong investment performance we have achieved or adversely affect our ability to retain existing and attract new client assets and related

revenues. The employment of Andrew A. Ziegler, our Executive Chairman, is expected to terminate on March 12, 2014, in accordance with the terms of his employment agreement. However, Mr. Ziegler is expected to continue to provide strategic leadership and advice as Chairman of the board of directors of the company.

Any of our investment or management professionals may resign at any time, join our competitors or form a competing company. Although several of our portfolio managers and Mr. Ziegler are subject to a non-compete obligation that extends for two years after their departure from Artisan, these non-competition provisions may not be enforceable or may not be enforceable to their full extent. In addition, we may agree to waive non-competition provisions or other restrictive covenants applicable to former investment or management professionals in light of the circumstances surrounding their relationship with us. We do not carry

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“key man” insurance that would provide us with proceeds in the event of the death or disability of any of the key members of our investment or management teams.

Competition for qualified investment, management and marketing and client service professionals is intense and we may fail to successfully attract and retain qualified personnel in the future. Our ability to attract and retain these personnel will depend heavily on the amount and structure of compensation and opportunities for equity ownership we offer. Prior to our IPO, we historically offered key employees equity ownership through interests in Artisan Partners Holdings. In connection with our transition to a public company, we have begun the implementation of a new compensation structure that uses a combination of cash and equity-based incentives as appropriate. Although we intend for overall compensation levels to remain commensurate with amounts paid to our key employees in the past, we may not be successful in designing and implementing an attractive compensation model. Any cost-reduction initiative or adjustments or reductions to compensation could negatively impact our ability to retain key personnel. In addition, changes to our management structure, corporate culture and corporate governance arrangements could negatively impact our ability to retain key personnel.

If we are unable to maintain our investment culture or compensation levels for investment professionals, we may be unable to attract, develop and retain talented investment professionals, which could negatively impact the performance of our investment strategies, our financial results and our ability to grow.

Attracting, developing and retaining talented investment professionals is an essential component of our business strategy. To do so, it is critical that we continue to foster an environment and provide compensation that is attractive for our existing investment professionals and for prospective investment professionals. If we are unsuccessful in maintaining such an environment (for instance, because of changes in management structure, corporate culture or corporate governance arrangements) or compensation levels for any reason, our existing investment professionals may leave our firm or fail to produce their best work on a consistent, long-term basis and/or we may be unsuccessful in attracting talented new investment professionals, any of which could negatively impact the performance of our investment strategies, our financial results and our ability to grow.

If our investment strategies perform poorly, clients could withdraw their funds and we could suffer a decline in our assets under management and/or become subject to litigation, which would reduce our earnings.

The performance of our investment strategies is critical in retaining existing client assets as well as attracting new client assets. If our investment strategies perform poorly for any reason, our earnings could decline because:

- our existing clients may withdraw funds from our investment strategies or terminate their relationships with us, which would cause the revenues that we generate from investment management fees to decline;
- the Morningstar and Lipper ratings and rankings of mutual funds we manage may decline, which may adversely affect the ability of those funds to attract new or retain existing assets; or
- third-party financial intermediaries, advisors or consultants may rate our investment products poorly, which may lead our existing clients to withdraw funds from our investment strategies or reduce asset inflows from these third parties or their clients.

Our investment strategies can perform poorly for a number of reasons, including general market conditions, investor sentiment about market and economic conditions, investment styles, investment decisions that we make and the performance of the companies in which our investment strategies invest. In addition, while we seek to deliver long-term value to our clients, volatility may lead to under-performance in the near term, which could adversely affect our results of operations. The global economic environment deteriorated sharply in 2008, particularly in the third and fourth quarters, and in the first quarter of 2009, with virtually every class of financial asset and geographic market experiencing significant price declines and volatility as a result of the global financial crisis. In the period from June 30, 2008 through March 31, 2009, our assets under management decreased by approximately 43%, primarily as a result of general market conditions.

In contrast, when our strategies experience strong results relative to the market, clients’ allocations to our strategies typically increase relative to their other investments and we sometimes experience withdrawals as our clients rebalance their investments to fit their asset allocation preferences despite our strong results.

While clients do not have legal recourse against us solely on the basis of poor investment results, if our investment strategies perform poorly, we are more likely to become subject to litigation brought by dissatisfied clients. In

addition, to the extent clients are successful in claiming that their losses resulted from fraud, negligence, willful misconduct, breach of contract or other similar misconduct, these clients may have remedies against us, the mutual funds and other funds we advise and/or our investment professionals under various U.S. and non-U.S. laws.

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The historical returns of our existing investment strategies may not be indicative of their future results or of the investment strategies we may develop in the future.

We have presented historical returns of our existing investment strategies under “Business—Investment Teams”. The historical returns of our strategies and the ratings and rankings we or the mutual funds that we advise have received in the past should not be considered indicative of the future results of these strategies or of any other strategies that we may develop in the future. The investment performance we achieve for our clients varies over time and the variance can be wide. The ratings and rankings we or the mutual funds we advise have received are typically revised monthly. Unless otherwise indicated, the historical performance and ratings and rankings presented herein are as of December 31, 2013 and for periods then ended. The performance we have achieved and the ratings and rankings received at subsequent dates and for subsequent periods may be higher or lower and the difference could be material. Our strategies’ returns have benefited during some periods from investment opportunities and positive economic and market conditions. In other periods, general economic and market conditions have negatively affected investment opportunities and our strategies’ returns. These negative conditions may occur again, and in the future we may not be able to identify and invest in profitable investment opportunities within our current or future strategies.

Difficult market conditions can adversely affect our business in many ways, including by reducing the value of our assets under management and causing clients to withdraw funds, each of which could materially reduce our revenues and adversely affect our financial condition.

The fees we earn under our investment management agreements are typically based on the market value of our assets under management, and to a much lesser extent based directly on investment performance. Investors in the mutual funds we advise can redeem their investments in those funds at any time without prior notice and our clients may reduce the aggregate amount of assets under management with us with minimal or no notice for any reason, including financial market conditions and the absolute or relative investment performance we achieve for our clients. In addition, the prices of the securities held in the portfolios we manage may decline due to any number of factors beyond our control, including, among others, a declining stock market, general economic downturn, political uncertainty or acts of terrorism. In connection with the severe market dislocations of 2008 and 2009, for example, the value of our assets under management declined substantially due primarily to the sizeable decline in stock prices worldwide. In future periods of difficult market conditions we may experience accelerated client redemptions or withdrawals if clients move assets to investments they perceive as offering greater opportunity or lower risk or our strategies underperform relative to benchmarks, which could further reduce our assets under management in addition to market depreciation. If any of these factors cause a decline in our assets under management, it would result in lower investment management fees. If our revenues decline without a commensurate reduction in our expenses, our net income will be reduced.

The significant growth we have experienced over the past decade has been and may continue to be difficult to sustain. Our assets under management increased from \$31.9 billion as of December 31, 2003 to \$105.5 billion as of December 31, 2013. The absolute measure of our assets under management represents a significant rate of growth that has been and may continue to be difficult to sustain. The continued growth of our business will depend on, among other things, our ability to retain key investment professionals, to devote sufficient resources to maintaining existing investment strategies and to selectively develop new, value-added investment strategies. Our business growth will also depend on our success in achieving superior investment performance from our investment strategies, as well as our ability to maintain and extend our distribution capabilities, to deal with changing market conditions, to maintain adequate financial and business controls and to comply with new legal and regulatory requirements arising in response to both the increased sophistication of the investment management industry and the significant market and economic events of the last few years.

In addition, we expect there to be significant demand on our infrastructure and investment teams and we may not be able to manage our growing business effectively or be able to sustain the level of growth we have achieved historically, and any failure to do so could adversely affect our ability to generate revenue and control our expenses. In particular, our efforts to establish our first fixed income strategy could strain our resources and slow the growth of our other strategies.

Our efforts to establish our first fixed income investment team and strategy (as well as efforts to establish other new teams and strategies in the future) may be unsuccessful and will likely negatively impact our results of operations and could negatively impact our reputation.

We seek to add new investment teams that invest in a way that is consistent with our philosophy of offering high value-added investment strategies and would allow us to grow strategically. Consistent with that strategy, in the fourth quarter of 2013 we hired an experienced portfolio manager to establish our sixth autonomous investment team, the Artisan Credit Team, which will manage the Artisan High Income strategy that we expect to launch in the first half of 2014. We expect the costs associated with establishing a new team and strategy initially to exceed the revenues generated, which will likely negatively impact our results of operations. In addition, we have not previously operated a fixed income strategy, and the new strategy will invest in instruments (such as high yield corporate bonds and secured and unsecured loans) and may invest in other instruments (such as revolving credit facilities, loan participations and derivatives, including credit default swaps) with which we have no or limited experience. Our lack of experience could strain our resources. In addition, the historical returns of our existing investment strategies may not

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be indicative of the investment performance of any such new strategy. The poor performance of the new Artisan High Income strategy or any other new strategy could negatively impact our reputation and the reputation of our other investment strategies. Future new teams or strategies could present similar risks.

We may support the development of Artisan High Income strategy (or other new strategies in the future) by making one or more seed investments using capital that would otherwise be available for our general corporate purposes.

Making such a seed investment would expose us to capital losses.

Failure to properly address conflicts of interest could harm our reputation or cause clients to withdraw funds, each of which could adversely affect our business and results of operations.

The SEC and other regulators have increased their scrutiny of potential conflicts of interest, and we have implemented procedures and controls that we believe are reasonably designed to address these issues. However, appropriately dealing with conflicts of interest is complex and if we fail, or appear to fail, to deal appropriately with conflicts of interest, we could face reputational damage, litigation or regulatory proceedings or penalties, any of which may adversely affect our results of operations.

In addition, as we expand the scope of our business and our client base, we must continue to monitor and address any conflicts between the interests of our stockholders and those of our clients. Our clients may withdraw funds if they perceive conflicts of interest between the investment decisions we make for strategies in which they have invested and our obligations to our stockholders. For example, we may limit the growth of assets in or close strategies or otherwise take action to slow the flow of assets when we believe it is in the best interest of our clients even though our aggregate assets under management and investment management fees may be negatively impacted in the short term. Similarly, we may establish or add new investment teams or expand operations into other geographic areas or jurisdictions if we believe such actions are in the best interest of our clients, even though our revenues may be adversely affected in the short term. Although we believe such actions enable us to retain client assets and maintain our fee schedules and profit margins, which benefits both our clients and stockholders, if clients perceive a change in our investment or operations decisions in favor of a strategy to maximize short term results, they may withdraw funds, which could adversely affect our investment management fees.

Several of our investment strategies invest principally in the securities of non-U.S. companies, which involve foreign currency exchange, tax, political, social and economic uncertainties and risks.

As of December 31, 2013, approximately 44% of our assets under management across our investment strategies was invested in strategies that primarily invest in securities of non-U.S. companies. In addition, some of our other strategies also invest on a more limited basis in securities of non-U.S. companies. Fluctuations in foreign currency exchange rates could negatively affect the returns of our clients who are invested in these strategies. In addition, an increase in the value of the U.S. dollar relative to non-U.S. currencies is likely to result in a decrease in the U.S. dollar value of our assets under management, which, in turn, could result in lower revenue since we report our financial results in U.S. dollars.

Investments in non-U.S. issuers may also be affected by tax positions taken in countries or regions in which we are invested as well as political, social and economic uncertainty, including, for example, as a result of the broad decline in global economic conditions beginning in 2007-2008 and slow recovery thereafter. Economic conditions in certain European Union member states have adversely affected investor sentiment, particularly with respect to international investments. Although none of our investment strategies invest in sovereign debt, our investment strategies that invest in securities of non-U.S. companies include investments that are exposed to the risks of European Union member states. The poor performance of those investments would negatively affect the performance of those strategies.

Declining tax revenues may cause governments to assert their ability to tax the local gains and/or income of foreign investors (including our clients), which could adversely affect clients' interests in investing outside their home markets. Many financial markets are not as developed, or as efficient, as the U.S. financial markets, and, as a result, those markets may have limited liquidity and higher price volatility, and may lack established regulations. Liquidity may also be adversely affected by political or economic events, government policies, and social or civil unrest within a particular country, and our ability to dispose of an investment may also be adversely affected if we increase the size of our investments in smaller non-U.S. issuers. Non-U.S. legal and regulatory environments, including financial accounting standards and practices, may also be different, and there may be less publicly available information about

such companies. These risks could adversely affect the performance of our strategies that are invested in securities of non-U.S. issuers and may be particularly acute in the emerging or less developed markets in which we invest. In addition to our Emerging Markets strategy, a number of our other investment strategies are permitted to invest in emerging or less developed markets in amounts generally ranging from 20% to 25% of the strategy's assets under management.

We derive a substantial portion of our revenues from a limited number of our strategies, some of which are closed to most new investors and client relationships.

As of December 31, 2013, \$25.3 billion of our assets under management was concentrated in our Non-U.S. Growth strategy, representing approximately 24% of our investment management fees for the year ended December 31, 2013. Our next four

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largest strategies, Non-U.S. Value, U.S. Mid-Cap Growth, U.S. Mid-Cap Value and Global Value, represented an additional \$16.9 billion, \$16.6 billion, \$15.7 billion and \$14.1 billion of our assets under management, respectively, as of December 31, 2013, representing approximately 17%, 16%, 17% and 9% of our investment management fees, respectively, for the year ended December 31, 2013. Two of those strategies, Non-U.S. Value and Global Value, are managed by the same investment team. As a result, a substantial portion of our operating results depends upon the performance of those strategies, and our ability to retain client assets in those strategies. Currently, our Non-U.S. Value, U.S. Mid-Cap Growth, U.S. Mid-Cap Value, Global Value, U.S. Small-Cap Value, Non-U.S. Small-Cap Growth and U.S. Small-Cap Growth strategies are closed to most new investors and client relationships. Our smaller strategies, such as our Global Small-Cap Growth and Global Equity strategies, due to their size, may not be able to generate sufficient fees to cover their expenses. If a significant portion of the investors in our larger strategies decided to withdraw their investments or terminate their investment management agreements for any reason, including poor investment performance or adverse market conditions, our revenues from those strategies would decline, which would have a material adverse effect on our earnings and financial condition.

We may not be able to maintain our current fee structure as a result of poor investment performance, competitive pressures or as a result of changes in our business mix, which could have a material adverse effect on our profit margins and results of operations.

We may not be able to maintain our current fee structure for any number of reasons, including as a result of poor investment performance, competitive pressures, changes in global markets and asset classes, or as a result of changes in our business mix. Although our investment management fees vary by client and investment strategy, we historically have been successful in maintaining an attractive overall rate of fee and profit margin due to the strength of our investment performance and our focus on high value-added investment strategies. In recent years, however, there has been a general trend toward lower fees in the investment management industry, and some of our investment strategies that tend to invest in larger-capitalization companies and were designed to have larger capacity and to appeal to larger clients, have lower fee schedules. In order to maintain our fee structure in a competitive environment, we must retain the ability to decline additional assets to manage from potential clients who demand lower fees even though our revenues may be adversely affected in the short term. In addition, we must be able to continue to provide clients with investment returns and service that our clients believe justify our fees. If our investment strategies perform poorly, we may be forced to lower our fees in order to retain current, and attract additional, assets to manage. We may not succeed in providing the investment returns and service that will allow us to maintain our current fee structure.

Downward pressure on fees may also result from the growth and evolution of the universe of potential investments in a market or asset class. For example, prevailing fee rates for managing portfolios of emerging markets securities have declined as those markets and the universe of potential investments in emerging markets companies have grown. In the first quarter of 2013, we reduced the rates of our standard fee schedule for managing assets in our Emerging Markets strategy. Changes in how clients choose to access asset management services may also exert downward pressure on fees. Some investment consultants, for example, are implementing programs in which the consultant provides a range of services, including selection, in a fiduciary capacity, of asset managers to serve as sub-adviser at lower fee rates than the manager's otherwise applicable rates, with the expectation of a larger amount of assets under management through that consultant. The expansion of those and similar programs could, over time, make it more difficult for us to maintain our fee rates. Over time, a larger part of our assets under management could be invested in our larger capacity, lower fee strategies, which could adversely affect our profitability. In addition, plan sponsors of 401(k) and other defined contribution assets that we manage may choose to invest plan assets in vehicles with lower cost structures than mutual funds and may choose to access our services through a separate account, including a collective investment trust (if available). We provide a lesser array of services to separate accounts than we provide to Artisan Funds and we receive fees at lower rates.

The investment management agreements pursuant to which we advise mutual funds are terminable on short notice and, after an initial term, are subject to an annual process of review and renewal by the funds' boards. As part of that annual review process, the fund board considers, among other things, the level of compensation that the fund has been paying us for our services, and that process may result in the renegotiation of our fee structure or increase the cost of our performance of our obligations. Any fee reductions on existing or future new business could have an adverse

effect on our profit margins and results of operations. For more information about our fees see “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Financial Overview”.

We derive substantially all of our revenues from contracts and relationships that may be terminated upon short or no notice.

We derive substantially all of our revenues from investment advisory and sub-advisory agreements, all of which are terminable by clients upon short notice or no notice. Our investment management agreements with mutual funds, as required by law, are generally terminable by the funds’ boards or a vote of a majority of the funds’ outstanding voting securities on not more than 60 days’ written notice. After an initial term, each fund’s investment management agreement must be approved and renewed annually by that fund’s board, including by its independent members. In addition, all of our separate account clients and some of the mutual funds that we sub-advise have the ability to re-allocate all or any portion of the assets that we manage away from us at any time with little or no notice. These investment management agreements and client relationships may be terminated or not renewed for any number of reasons. The decrease in revenues that could result from the termination of a material client

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relationship or group of client relationships could have a material adverse effect on our business.

Investors in the funds that we advise can redeem their investments in those funds at any time without prior notice, which could adversely affect our earnings.

Investors in the mutual funds and some other pooled investment vehicles that we advise or sub-advise may redeem their investments in those funds at any time without prior notice and investors in other types of pooled vehicles we sub-advise may typically redeem their investments on fairly limited or no prior notice, thereby reducing our assets under management. These investors may redeem for any number of reasons, including general financial market conditions, the absolute or relative investment performance we have achieved, or their own financial condition and requirements. In a declining stock market, the pace of redemptions could accelerate. Poor investment performance relative to other funds tends to result in decreased purchases and increased redemptions of fund shares. For the year ended December 31, 2013, we generated approximately 79% of our revenues from advising mutual funds and other pooled vehicles (including Artisan Funds, Artisan Global Funds, and other entities for which we are adviser or sub-adviser), and the redemption of investments in those funds would adversely affect our revenues and could have a material adverse effect on our earnings.

We depend on third-party distribution sources to market our investment strategies and access our client base.

Our ability to attract additional assets to manage is highly dependent on our access to third-party intermediaries. We gain access to investors in Artisan Funds primarily through consultants, 401(k) platforms, mutual fund platforms, broker-dealers and financial advisors through which shares of the funds are sold. As of December 31, 2013, our largest relationships with a 401(k) platform, broker-dealer and financial adviser represented approximately 6%, 3% and less than 1%, respectively, of our total assets under management. We have relationships with some third-party intermediaries through which we access clients in multiple distribution channels. Our two largest intermediary relationships across multiple distribution channels represented approximately 12.7% and 9.7% of our total assets under management as of December 31, 2013.

We compensate most of the intermediaries through which we gain access to investors in Artisan Funds by paying fees, most of which are a percentage of assets invested in Artisan Funds through that intermediary and with respect to which that intermediary provides services. The allocation of such fees between us and Artisan Funds is determined by the board of Artisan Funds, based on information and a recommendation from us, with the goal of allocating to us all costs attributable to marketing and distribution of shares of Artisan Funds. Our expenses in connection with those intermediary relationships could increase if the portion of those fees determined to be in connection with marketing and distribution, and therefore allocated to us, increased. These distribution sources and client bases may not continue to be accessible to us on terms we consider commercially reasonable, or at all. The absence of such access could have a material adverse effect on our results of operations.

We access institutional clients primarily through consultants. Our institutional business is highly dependent upon referrals from consultants. Many of these consultants review and evaluate our products and our firm from time to time. As of December 31, 2013, the investment consultant advising the largest portion of our assets under management represented approximately 5% of our total assets under management. Poor reviews or evaluations of either a particular product, strategy, or us as an investment management firm may result in client withdrawals or may impair our ability to attract new assets through these intermediaries. In addition, the recent economic downturn and consolidation in the broker-dealer industry may lead to reduced distribution access and increases in fees we are required to pay to intermediaries. If such increased fees should be required, refusal to pay them could restrict our access to those client bases while paying them could adversely affect our profitability.

The long-only, equity investment focus of our existing strategies exposes us to greater risk than certain of our competitors whose investment strategies may also include non-equity securities or short positions.

Our existing investment strategies hold long positions in publicly-traded equity securities of companies across a wide range of market capitalizations, geographies and industries; investments by our strategies in non-equity securities have been immaterial. Accordingly, under market conditions in which there is a general decline in the value of equity securities, each of our existing strategies is likely to perform poorly on an absolute basis. Unlike some of our competitors, we do not currently offer to clients strategies that invest in privately-held companies or in non-equity securities or take short positions in equity securities, which could offset some of the poor performance of our

long-only, equity strategies under such market conditions. Even if our investment performance remains strong during such market conditions relative to other long-only, equity strategies, investors may choose to withdraw assets from our management or allocate a larger portion of their assets to non-long-only or non-equity strategies, which we do not currently offer to clients. In addition, the prices of equity securities may fluctuate more widely than the prices of other types of securities, making the level of our assets under management and related revenues more volatile. We expect to launch our first fixed income strategy in the first half of 2014. However, we expect that a very high percentage of our assets under management will continue to be managed in long-only strategies for the foreseeable future.

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The performance of our investment strategies or the growth of our assets under management may be constrained by unavailability of appropriate investment opportunities.

The ability of our investment teams to deliver strong investment performance depends in large part on their ability to identify appropriate investment opportunities in which to invest client assets. If the investment team for any of our strategies is unable to identify sufficient appropriate investment opportunities for existing and new client assets on a timely basis, the investment performance of the strategy could be adversely affected. In addition, if we determine that sufficient investment opportunities are not available for a strategy, we may choose to limit the growth of the strategy by limiting the rate at which we accept additional client assets for management under the strategy, closing the strategy to all or substantially all new investors or otherwise taking action to limit the flow of assets into the strategy. If we misjudge the point at which it would be optimal to limit access to or close a strategy, the investment performance of the strategy could be negatively impacted. The risk that sufficient appropriate investment opportunities may be unavailable is influenced by a number of factors, including general market conditions, but is particularly acute with respect to our strategies that focus on valuation, or small-cap and emerging market investments, and is likely to increase as our assets under management increase, particularly if these increases occur very rapidly. By limiting the growth of strategies, we may be managing the business in a manner that reduces the total amount of our assets under management and our investment management fees over the short term.

Our failure to comply with investment guidelines set by our clients, including the boards of funds, and limitations imposed by applicable law, could result in damage awards against us and a loss of our assets under management, either of which could adversely affect our results of operations or financial condition.

When clients retain us to manage assets on their behalf, they generally specify certain guidelines regarding investment allocation and strategy that we are required to follow in managing their portfolios. The boards of funds we manage generally establish similar guidelines regarding the investment of assets in those funds. We are also required to invest the U.S. mutual funds' assets in accordance with limitations under the 1940 Act and applicable provisions of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code. Other clients, such as plans subject to the Employee Retirement Income Security Act of 1974, as amended, or ERISA, or non-U.S. funds, require us to invest their assets in accordance with applicable law. Our failure to comply with any of these guidelines and other limitations could result in losses to clients or investors in a fund which, depending on the circumstances, could result in our obligation to make clients or fund investors whole for such losses. If we believed that the circumstances did not justify a reimbursement, or clients and investors believed the reimbursement we offered was insufficient, they could seek to recover damages from us or could withdraw assets from our management or terminate their investment management agreement with us. Any of these events could harm our reputation and adversely affect our business.

Operational risks may disrupt our business, result in losses or limit our growth.

We are heavily dependent on the capacity and reliability of the communications, information and technology systems supporting our operations, whether developed, owned and operated by us or by third parties. We also rely on manual workflows and a variety of manual user controls. Operational risks such as trading or other operational errors or interruption of our financial, accounting, trading, compliance and other data processing systems, whether caused by human error, fire, other natural disaster or pandemic, power or telecommunications failure, cyber-attack or viruses, act of terrorism or war or otherwise, could result in a disruption of our business, liability to clients, regulatory intervention or reputational damage, and thus materially adversely affect our business. The potential for some types of operational risks, including, for example, trading errors, may be increased in periods of increased volatility, which can magnify the cost of an error. Although we have not suffered operational errors, including trading errors, of significant magnitude in the past, we may experience such errors in the future, which could be significant and the losses related to which we would be required to absorb. Insurance and other safeguards might not be available or might only partially reimburse us for our losses. Although we have back-up systems in place, our back-up procedures and capabilities in the event of a failure or interruption may not be adequate, and the fact that we operate our business out of multiple physical locations may make such failures and interruptions difficult to address on a timely and adequate basis. As our client base, number and complexity of investment strategies, client relationships and/or physical locations increase, developing and maintaining our operational systems and infrastructure may become increasingly challenging, which could constrain our ability to expand our businesses. Any changes, upgrades or expansions to our operations and/or

technology or implementation of new technology systems to replace manual workflows or to accommodate increased volumes or complexity of transactions or otherwise may require significant expenditures and may increase the probability that we will experience operational errors or suffer system degradations and failures. If we are unsuccessful in executing any such upgrades, expansions or implementations, we may instead have to hire additional employees, which could increase operational risk due to human error. We depend substantially on our Milwaukee, Wisconsin office where a majority of our employees, administration and technology resources are located, for the continued operation of our business. Any significant disruption to that office could have a material adverse effect on us.

In order to establish our first fixed income strategy, which we expect to launch in the first half of 2014, we are in the process of developing and contracting with third parties for the operational infrastructure and systems necessary to operate a fixed income strategy, including infrastructure and systems for trading and valuing fixed income securities and other credit instruments. We have not previously operated a fixed income strategy, and the new strategy will primarily invest in securities and other

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instruments with which we have no or limited operational experience, which could strain our operations resources and increase the possibility of operational error.

Employee misconduct, or perceived misconduct, could expose us to significant legal liability and/or reputational harm.

We are vulnerable to reputational harm because we operate in an industry in which integrity and the confidence of our clients are of critical importance. Our employees could engage in misconduct, or perceived misconduct, that adversely affects our business. For example, if an employee were to engage in illegal or suspicious activities, we could be subject to regulatory sanctions and suffer serious harm to our reputation (as a consequence of the negative perception resulting from such activities), financial position, client relationships and ability to attract new clients. Our business often requires that we deal with confidential information. If our employees were to improperly use or disclose this information, even if inadvertently, we could suffer serious harm to our reputation, financial position and current and future business relationships. It is not always possible to deter employee misconduct, and the precautions we take to detect and prevent this activity may not always be effective. In addition, the SEC recently has increased its scrutiny of the use of non-public information obtained from corporate insiders by professional investors. Misconduct or perceived misconduct by our employees, or even unsubstantiated allegations of such conduct, could result in significant legal liability and/or an adverse effect on our reputation and our business.

If our techniques for managing risk are ineffective, we may be exposed to material unanticipated losses.

In order to manage the significant risks inherent in our business, we must maintain effective policies, procedures and systems that enable us to identify, monitor and control our exposure to operational, legal and reputational risks. Our risk management methods may prove to be ineffective due to their design or implementation, or as a result of the lack of adequate, accurate or timely information or otherwise. If our risk management efforts are ineffective, we could suffer losses that could have a material adverse effect on our financial condition or operating results. Additionally, we could be subject to litigation, particularly from our clients, and sanctions or fines from regulators. Our techniques for managing operational, legal and reputational risks in client portfolios may not fully mitigate the risk exposure in all economic or market environments, including exposure to risks that we might fail to identify or anticipate. As part of establishing a new fixed income strategy we have modified or are modifying a number of policies, procedures and systems in order for us to appropriately identify, monitor and control our exposure to new or increased operational, legal and reputational risks presented by the new Artisan High Income strategy and fixed income investing. We may fail to make the appropriate modifications which could adversely affect our financial results and subject us to litigation or regulatory actions.

Because our clients invest in our strategies in order to gain exposure to the portfolio securities of the respective strategies, we have not adopted corporate-level risk management policies to manage market risk or exchange rate risk, nor have we attempted to hedge at the corporate level the market and exchange rate risks that would affect the value of our overall assets under management and related revenues. While negative returns in our investment strategies, net client outflows and changes in the value of the U.S. dollar relative to other currencies do not directly reduce the assets on our balance sheet (because the assets we manage are owned by our clients, not us), we expect that any reduction in the value of our assets under management would result in a reduction in our revenues. See “Qualitative and Quantitative Disclosures Regarding Market Risk”.

Our indebtedness may expose us to material risks.

In August 2012, we entered into a \$100 million five-year revolving credit agreement and issued \$200 million in unsecured notes consisting of \$60 million Series A notes maturing in 2017, \$50 million Series B notes maturing in 2019, and \$90 million Series C notes maturing in 2022. We used the proceeds of the notes and \$90 million drawn from the revolving credit facility to prepay all of the then-outstanding principal amount of our \$400 million term loan. We used a portion of the net proceeds of our IPO to repay all of the \$90 million drawn from the revolving credit facility. Nevertheless, we continue to have substantial indebtedness outstanding in the amount of \$200 million in unsecured notes, which exposes us to risks associated with the use of leverage. Our substantial indebtedness makes it more difficult for us to withstand or respond to adverse or changing business, regulatory and economic conditions or to take advantage of new business opportunities or make necessary capital expenditures. In addition, our notes and revolving credit agreement contain financial and operating covenants that may limit our ability to conduct our

business. To the extent we service our debt from our cash flow, such cash will not be available for our operations or other purposes. Because our debt service obligations are fixed, the portion of our cash flow used to service those obligations could be substantial if our revenues have declined, whether because of market declines or for other reasons. The Series A, Series B and Series C notes bear interest at a rate equal to 4.98%, 5.32% and 5.82% per annum, respectively, and each rate is subject to a 100 basis point increase in the event Artisan Partners Holdings receives a below-investment grade rating. Each series requires a balloon payment at maturity. Any substantial decrease in net operating cash flows or any substantial increase in expenses could make it difficult for us to meet our debt service requirements or force us to modify our operations. Our ability to repay the principal amount of our notes or any outstanding loans under our revolving credit agreement, to refinance our debt or to obtain additional financing through debt or the sale of additional equity securities will depend on our performance, as well as financial, business and other general economic factors affecting the credit and equity markets generally or our business in particular, many of which are beyond our control. Any such alternatives may not be available to us on satisfactory terms or at all.

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Our note purchase agreement and revolving credit agreement contain, and our future indebtedness may contain, various covenants that may limit our business activities.

Our note purchase agreement and revolving credit agreement contain financial and operating covenants that limit our business activities, including restrictions on our ability to incur additional indebtedness and pay dividends to our stockholders. For example, the agreements include financial covenants requiring Artisan Partners Holdings not to exceed specified ratios of indebtedness to consolidated earnings before interest, taxes, depreciation and amortization (as defined in the agreements), or EBITDA, and interest expense to consolidated EBITDA. The agreements also restrict Artisan Partners Holdings from making distributions to its partners (including us), other than tax distributions or distributions to fund our ordinary expenses, if a default (as defined in the respective agreements) has occurred and is continuing or would result from such a distribution. The failure to comply with any of these restrictions could result in an event of default, giving our lenders the ability to accelerate repayment of our obligations. As of December 31, 2013, we believe we are in compliance with all of the covenants and other requirements set forth in the agreements. We provide a broad range of services to Artisan Funds, Artisan Global Funds and sub-advised mutual funds which may expose us to liability.

We provide a broad range of administrative services to Artisan Funds, including providing personnel to Artisan Funds to serve as officers of Artisan Funds, the preparation or supervision of the preparation of Artisan Funds' regulatory filings, maintenance of board calendars and preparation or supervision of the preparation of board meeting materials, management of compliance and regulatory matters, provision of shareholder services and communications, accounting services including the supervision of the activities of Artisan Funds' accounting services provider in the calculation of the funds' net asset values, supervision of the preparation of Artisan Funds' financial statements and coordination of the audits of those financial statements, tax services including calculation of dividend and distribution amounts and supervision of tax return preparation, and supervision of the work of Artisan Funds' other service providers. Although less extensive than the range of services we provide to Artisan Funds, we also provide a range of services, in addition to investment management services, to Artisan Global Funds, including providing personnel to serve as directors of Artisan Global Funds, the preparation or supervision of the preparation of Artisan Global Funds' regulatory filings, maintenance of board calendars and preparation or supervision of the preparation of board meeting materials, management of compliance and regulatory matters, various distribution, marketing and shareholder services, accounting services including the supervision of the activities of Artisan Global Funds' accounting services provider in the calculation of Artisan Global Funds' net asset values, supervision of the preparation of Artisan Global Funds' financial statements and coordination of the audits of these financial statements, supplying information that is used by Artisan Global Funds to meet its regulatory requirements, tax services, as well as review of the various service providers to Artisan Global Funds. In addition, we from time to time provide information to the funds for which we act as sub-adviser (or to a person or entity providing administrative services to such a fund) which is used by those funds in their efforts to comply with various regulatory requirements. If we make a mistake in the provision of those services, Artisan Funds, Artisan Global Funds or the sub-advised fund could incur costs for which we might be liable. In addition, if it were determined that Artisan Funds, Artisan Global Funds or the sub-advised fund failed to comply with applicable regulatory requirements as a result of action or failure to act by our employees, we could be responsible for losses suffered or penalties imposed. In addition, we could have penalties imposed on us, be required to pay fines or be subject to private litigation, any of which could decrease our future income or negatively affect our current business or our future growth prospects.

The expansion of our business outside of the United States raises tax and regulatory risks, may adversely affect our profit margins and will place additional demands on our resources and employees.

We are expanding our distribution effort into non-U.S. markets, including the United Kingdom, other member countries of the European Union, Australia and certain Asian countries, among others. Our net client cash flows that come from clients domiciled outside the United States have grown from an insignificant amount in earlier years to more than 31% of our total net client cash flows over the three years ended December 31, 2013. Clients outside the United States may be adversely affected by political, social and economic uncertainty in their respective home countries and regions, which could result in a decrease in the net client cash flows that come from such clients. These clients also may be less accepting of the U.S. practice of payment for certain research products and services through

soft dollars, which could have the effect of increasing our expenses.

This expansion has required and will continue to require us to incur a number of up-front expenses, including those associated with obtaining and maintaining regulatory approvals and office space, as well as additional ongoing expenses, including those associated with leases, the employment of additional support staff and regulatory compliance. In addition, we have organized Artisan Global Funds, a family of Ireland-based UCITS funds, that began operations during the first quarter of 2011, and for which we are investment manager and promoter. Our employees routinely travel outside the United States as a part of our investment research process or to market our services and may spend extended periods of time in one or more non-U.S. jurisdictions. Their activities outside the United States on our behalf may raise both tax and regulatory issues. If and to the extent we are incorrect in our analysis of the applicability or impact of non-U.S. tax or regulatory requirements, we could incur costs, penalties or be the subject of an enforcement or other action. We also expect that operating our business in non-U.S. markets

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generally will be more expensive than in the United States. Among other expenses, the effective tax rates applicable to our income allocated to some non-U.S. markets, which we are likely to earn through an entity that will pay corporate income tax, may be higher than the effective rates applicable to our income allocated to the United States, even though the effective tax rates are lower in many non-U.S. markets, because our U.S. operations are conducted through partnerships. In addition, costs related to our distribution and marketing efforts in non-U.S. markets generally have been more expensive than comparable costs in the United States. To the extent that our revenues do not increase to the same degree our expenses increase in connection with our expansion outside the United States, our profitability could be adversely affected. Expanding our business into non-U.S. markets may also place significant demands on our existing infrastructure and employees.

Failure to maintain effective internal control over financial reporting could have a material adverse effect on our business and stock price.

As a public company, we are subject to a variety of reporting requirements under the Sarbanes-Oxley Act of 2002, or Sarbanes-Oxley. Sarbanes-Oxley requires, among other things, that we maintain effective internal control over financial reporting. In accordance with Section 404 of Sarbanes-Oxley, our management is required to conduct an annual assessment of the effectiveness of our internal control over financial reporting and include a report on these internal controls in the annual reports we file with the SEC on Form 10-K. Our independent registered public accounting firm will not be required to formally attest to the effectiveness of our internal controls until the later of 2015 and the date on which we are no longer an “emerging growth company”. If we are not able to implement the requirements of Section 404 in a capable manner, we may be subject to adverse regulatory consequences and there could be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. This could have a material adverse effect on us.

We are an emerging growth company within the meaning of the Securities Act, and if we decide to take advantage of certain exemptions from various reporting requirements applicable to emerging growth companies, our common stock could be less attractive to investors.

For as long as we remain an “emerging growth company”, as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, we will have the option to take advantage of certain exemptions from various reporting and other requirements that are applicable to other public companies that are not “emerging growth companies” including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of Sarbanes-Oxley and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. We may take advantage of these and other exemptions until we are no longer an “emerging growth company”.

The JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended, or the Securities Act, for complying with new or revised accounting standards. However, we have chosen to “opt out” of such extended transition period, and as a result, we will comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. Our decision to opt out of the extended transition period is irrevocable.

We anticipate that we will remain an “emerging growth company” until the earliest of (i) the end of the fiscal year during which we have total annual gross revenues of \$1.0 billion or more, (ii) the end of the fiscal year following the fifth anniversary of the completion of our IPO, (iii) the date on which we have, during the previous three-year period, issued more than \$1 billion in non-convertible debt and (iv) the date on which we become a “large accelerated filer” as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

The cost of insuring our business may increase.

We believe our insurance costs are reasonable but they could fluctuate significantly from year to year and rate increases in the future are possible. Our insurance costs may increase to the extent we purchase additional insurance to reflect any changes in the size of our business or the nature of our operations. In addition, there have been historical periods in which directors’ and officers’ liability insurance and errors and omissions insurance have been available only with limited coverage amounts, less favorable coverage terms or at prohibitive cost, and those conditions could recur. As we renew our insurance policies, we may be subject to additional costs resulting from rising premiums, the

assumption of higher deductibles and/or co-insurance liability and, to the extent Artisan Funds or Artisan Global Funds purchases separate director and officer and/or errors and omissions liability coverage, an increased risk of insurance companies disputing responsibility for joint claims. Higher insurance costs and incurred deductibles would reduce our net income.

A change of control could result in termination of our investment advisory agreements with SEC-registered mutual funds and could trigger consent requirements in our other investment advisory agreements.

Under the U.S. Investment Company Act of 1940, as amended, or the 1940 Act, each of the investment advisory agreements between SEC-registered mutual funds and our subsidiary, Artisan Partners Limited Partnership, will terminate automatically in the event of its assignment, as defined in the 1940 Act. Upon the occurrence of such an assignment, our subsidiary could continue

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to act as adviser to any such fund only if that fund's board and shareholders approved a new investment advisory agreement, except in the case of certain of the funds that we sub-advise for which only board approval would be necessary. In addition, as required by the U.S. Investment Advisers Act of 1940, as amended, or the Advisers Act, each of the investment advisory agreements for the separate accounts we manage provides that it may not be assigned, as defined in the Advisers Act, without the consent of the client. An assignment occurs under the 1940 Act and the Advisers Act if, among other things, Artisan Partners Limited Partnership undergoes a change of control as recognized under the 1940 Act and the Advisers Act. If such an assignment were to occur, we cannot be certain that we will be able to obtain the necessary approvals from the boards and shareholders of the mutual funds we advise or the necessary consents from our separate account clients.

Risks Related to our Industry

We are subject to extensive regulation.

We are subject to extensive regulation in the United States, primarily at the federal level, including regulation by the SEC under the 1940 Act and the Advisers Act, by the U.S. Department of Labor under ERISA, and by the Financial Industry Regulatory Authority, Inc. The U.S. mutual funds we manage are registered with and regulated by the SEC as investment companies under the 1940 Act. We are also subject to regulation in the United Kingdom by the Financial Conduct Authority. The U.K. Financial Conduct Authority imposes a comprehensive system of regulation that is primarily principles-based (compared to the primarily rules-based U.S. regulatory system) and with which we currently have only limited experience. The Advisers Act imposes numerous obligations on investment advisers including record keeping, advertising and operating requirements, disclosure obligations and prohibitions on fraudulent activities. The 1940 Act imposes similar obligations, as well as additional detailed operational requirements, on registered investment companies, which must be adhered to by their investment advisers. We are also expanding our distribution effort into non-U.S. markets, including the United Kingdom, other member countries of the European Union, Australia and certain Asian countries, among others. The Central Bank of Ireland imposes requirements on UCITS funds subject to regulation by it, as do the regulators in certain other markets in which shares of Artisan Global Funds are offered for sale, and with which we are required to comply with respect to Artisan Global Funds. In the future, we may further expand our business outside of the United States in such a way or to such an extent that we may be required to register with additional foreign regulatory agencies or otherwise comply with additional non-U.S. laws and regulations that do not currently apply to us and with respect to which we do not have compliance experience. Our lack of experience in complying with any such non-U.S. laws and regulations may increase our risk of becoming party to litigation and subject to regulatory actions.

The regulation of over-the-counter derivatives is changing, including under the Dodd-Frank Act in the United States and the European Market Infrastructure Regulation in Europe. These regulations relate primarily to central clearing counterparties, trade reporting and repositories and risk mitigation techniques, and there are still uncertainties as to the requirements applicable under these regulations, the types of instruments impacted and how they could impact our clients. The regulations could increase our compliance costs and the potential for trading or operational errors. In addition, the U.S. mutual funds that we advise and our broker-dealer subsidiary are each subject to the USA PATRIOT Act of 2001, which requires them to know certain information about their clients and to monitor their transactions for suspicious financial activities, including money laundering. The U.S. Office of Foreign Assets Control has issued regulations requiring that we refrain from doing business, or allowing our clients to do business through us, in certain countries or with certain organizations or individuals on a list maintained by the U.S. government. The United Kingdom has issued similar regulations requiring that we refrain from doing business with countries subject to financial sanctions or with certain entities or individuals on the consolidated list published by HM Treasury. Our failure to comply with applicable laws or regulations could result in fines, censure, suspensions of personnel or other sanctions, including revocation of the registration of Artisan Partners Limited Partnership and Artisan Partners UK LLP as registered investment advisers or deauthorization of Artisan Partners UK LLP by the U.K. Financial Conduct Authority.

Accordingly, we face the risk of significant intervention by regulatory authorities, including extended investigation and surveillance activity, adoption of costly or restrictive new regulations and judicial or administrative proceedings that may result in substantial penalties. Among other things, we could be fined or be prohibited from engaging in

some of our business activities. The requirements imposed by our regulators are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us, and are not designed to protect our stockholders. Consequently, these regulations often serve to limit our activities, including through net capital, customer protection and market conduct requirements. See “Regulatory Environment and Compliance”.

In addition to the extensive regulation to which we are subject in the United States, the United Kingdom and Ireland, we are also subject to regulation by the Australian Securities and Investments Commission, where we operate pursuant to an order of exemption, and by Canadian regulatory authorities in the Canadian provinces where we operate pursuant to exemptions from registration. Our business is also subject to the rules and regulations of the countries in which we conduct investment management activities. Failure to comply with applicable laws and regulations in the foreign countries where we invest and/or where our clients or prospective clients reside could result in fines, suspensions of personnel or other sanctions. See “Regulatory Environment and Compliance”.

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The regulatory environment in which we operate is subject to continual change, and regulatory developments designed to increase oversight may adversely affect our business.

The legislative and regulatory environment in which we operate has undergone significant changes in the recent past. We believe that significant regulatory changes in our industry are likely to continue on a scale that exceeds the historical pace of regulatory change, which is likely to subject industry participants to additional, more costly and generally more punitive regulation. The requirements imposed by our regulators (including both U.S. and non-U.S. regulators) are designed to ensure the integrity of the financial markets and to protect customers and other third parties who deal with us, and are not designed to protect our stockholders. Consequently, these regulations often serve to limit our activities and/or increase our costs, including through customer protection and market conduct requirements. New laws or regulations, or changes in the enforcement of existing laws or regulations, applicable to us and our clients may adversely affect our business. Our ability to function in this environment will depend on our ability to constantly monitor and promptly react to legislative and regulatory changes. There have been a number of highly publicized regulatory inquiries that have focused on the investment management industry. These inquiries already have resulted in increased scrutiny of the industry and new rules and regulations for mutual funds and investment managers. This regulatory scrutiny may limit our ability to engage in certain activities that might be beneficial to our stockholders. See “Regulatory Environment and Compliance”.

In addition, as a result of the recent economic downturn, acts of serious fraud in the investment management industry and perceived lapses in regulatory oversight, U.S. and non-U.S. governmental and regulatory authorities may increase regulatory oversight of our businesses. We may be adversely affected as a result of new or revised legislation or regulations imposed by the SEC, other U.S. or non-U.S. governmental regulatory authorities or self-regulatory organizations that supervise the financial markets. We also may be adversely affected by changes in the interpretation or enforcement of existing laws and rules by these governmental authorities and self-regulatory organizations, as well as by courts. It is impossible to determine the extent of the impact of any new U.S. or non-U.S. laws, regulations or initiatives that may be proposed, or whether any of the proposals will become law. Compliance with any new laws or regulations could make compliance more difficult and expensive and affect the manner in which we conduct business. The investment management industry is intensely competitive.

The investment management industry is intensely competitive, with competition based on a variety of factors, including investment performance, investment management fee rates, continuity of investment professionals and client relationships, the quality of services provided to clients, corporate positioning and business reputation, continuity of selling arrangements with intermediaries and differentiated products. A number of factors, including the following, serve to increase our competitive risks:

- a number of our competitors have greater financial, technical, marketing and other resources, more comprehensive name recognition and more personnel than we do;
 - potential competitors have a relatively low cost of entering the investment management industry;
 - the recent trend toward consolidation in the investment management industry, and the securities business in general, has served to increase the size and strength of a number of our competitors;
 - some investors may prefer to invest with an investment manager that is not publicly traded based on the perception that a publicly-traded asset manager may focus on the manager’s own growth to the detriment of investment performance for clients;
 - some competitors may invest according to different investment styles or in alternative asset classes that may be perceived as more attractive than the investment strategies we offer;
 - other industry participants, hedge funds and alternative asset managers may seek to recruit our investment professionals; and
 - some competitors charge lower fees for their investment management services than we do.
- If we are unable to compete effectively, our earnings would be reduced and our business could be materially adversely affected.

The investment management industry faces substantial litigation risks which could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us.

We depend to a large extent on our network of relationships and on our reputation in order to attract and retain client assets. If a client is not satisfied with our services, its dissatisfaction may be more damaging to our business than client dissatisfaction would be to other types of businesses. We make investment decisions on behalf of our clients that could result in substantial losses to them. If our clients suffer significant losses, or are otherwise dissatisfied with our services, we could be subject to the risk of legal liabilities or actions alleging negligent misconduct, breach of fiduciary duty, breach of contract, unjust enrichment and/or fraud. These risks are often difficult to assess or quantify and their existence and magnitude often remain unknown for substantial periods of time, even after an action has been commenced. We may incur significant legal expenses in defending against litigation whether or not we engaged in conduct as a result of which we might be subject to legal liability. Substantial legal liability or significant regulatory action against us could materially adversely affect our business, financial condition or results of operations or cause significant reputational harm to us.

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Risks Related to Our Structure

Control by AIC and our employees to whom we have granted equity (including our employee-partners) of approximately 79% of the combined voting power of our capital stock and the rights of holders of limited partnership units of Artisan Partners Holdings may give rise to conflicts of interest.

Our employees to whom we have granted equity (including our employee-partners) hold approximately 73% of the combined voting power of our capital stock and AIC holds approximately 6% of the combined voting power of our capital stock. AIC and each of our employees to whom we have granted equity have entered into a stockholders agreement pursuant to which they granted an irrevocable voting proxy with respect to all shares of our common stock they have acquired from us and any shares they may acquire from us in the future to a stockholders committee. Any additional shares of our common stock that we issue to our employee-partners or other employees, including shares of common stock issued under our Omnibus Incentive Compensation Plan, will be subject to the stockholders agreement so long as the agreement has not been terminated.

For so long as the shares subject to the stockholders agreement represent at least a majority of the combined voting power of our capital stock, the stockholders committee is able to elect all of the members of our board of directors (subject to the obligation of the stockholders committee under the terms of the stockholders agreement to vote in support of certain nominees) and will thereby control our management and affairs, including determinations with respect to acquisitions, dispositions, borrowings, issuances of securities, and the declaration and payment of dividends. In addition, subject to the class approval rights of each class of our outstanding capital stock and each class of Artisan Partners Holdings limited partnership units, the stockholders committee is able to determine the outcome of all matters requiring approval of stockholders, and is able to cause or prevent a change of control of our company or a change in the composition of our board of directors, and could preclude any unsolicited acquisition of our company.

The stockholders committee has the ability to prevent the consummation of mergers, takeovers or other transactions that may be in the best interests of our Class A stockholders. In particular, this concentration of voting power could deprive Class A stockholders of an opportunity to receive a premium for their shares of Class A common stock as part of a sale of our company, and could affect the market price of our Class A common stock. Because each share of our Class B common stock initially entitles its holder to five votes, there may be situations where the stockholders committee controls our management and affairs even if the shares subject to the stockholders agreement represent less than a majority of the number of outstanding shares of our capital stock. If and when the holders of our Class B common stock collectively hold less than 20% of the aggregate number of outstanding shares of our common stock and our convertible preferred stock, shares of Class B common stock will entitle the holder to only one vote per share. A designee of AIC, who currently is Mr. Ziegler, has the sole right, in consultation with the other member or members of the stockholders committee as required pursuant to the stockholders agreement, to determine how to vote all shares subject to the stockholders agreement until the earliest to occur of: (i) Mr. Ziegler's death or disability, (ii) the voluntary termination of Mr. Ziegler's employment with us, including by reason of the scheduled expiration of his employment on March 12, 2014, and (iii) 180 days after the effective date of Mr. Ziegler's involuntary termination of employment with us. We expect that Mr. Ziegler's employment with us will be terminated, and he will no longer be a member of the stockholders committee, on March 12, 2014. At that time, we expect the committee to consist of Mr. Colson, Charles J. Daley, Jr. (our Chief Financial Officer) and Gregory K. Ramirez (our Senior Vice President), and all shares subject to the stockholders agreement will be voted in accordance with the majority decision of those three members. AIC may withdraw its shares of common stock from the stockholders agreement when Mr. Ziegler is no longer a member of the stockholders committee. Upon AIC's withdrawal of its shares from the stockholders agreement, AIC will have sole voting control over such shares. Shares held by an employee cease to be subject to the stockholders agreement upon termination of employment.

Even upon AIC's withdrawal from the stockholders agreement, the stockholders committee will still have the ability to determine the outcome of any matter requiring the approval of a simple majority of our outstanding voting stock and prevent the approval of any matter requiring the approval of 66 2/3% of our outstanding voting stock.

Our employee-partners (through their ownership of Class B common units), AIC (through its ownership of Class D common units) and the holders of Class A common units have the right, each voting as a single and separate class, to approve or disapprove certain transactions and matters, including material corporate transactions, such as a merger,

consolidation, dissolution or sale of greater than 25% of the fair market value of Artisan Partners Holdings' assets. These voting and class approval rights may enable our employee-partners, AIC or the holders of Class A common units to prevent the consummation of transactions that may be in the best interests of holders of our Class A common stock.

In addition, because our pre-IPO owners hold all or a portion of their ownership interests in our business through Artisan Partners Holdings, rather than through Artisan Partners Asset Management, these pre-IPO owners may have conflicting interests with holders of our Class A common stock. For example, our pre-IPO owners may have different tax positions from us which could influence their decisions regarding whether and when we should dispose of assets, whether and when we should incur new or refinance existing indebtedness, especially in light of the existence of the tax receivable agreements, and whether and when Artisan Partners Asset Management should terminate the tax receivable agreements and accelerate its obligations thereunder. In addition, the structuring of future transactions may take into consideration these pre-IPO owners' tax or other considerations even

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where no similar benefit would accrue to us.

Our ability to pay regular dividends to our stockholders is subject to the discretion of our board of directors and may be limited by our structure and applicable provisions of Delaware law.

We intend to continue to pay dividends to holders of our Class A common stock as described in “Dividend Policy”. Our board of directors may, in its sole discretion, change the amount or frequency of dividends or discontinue the payment of dividends entirely. In addition, as a holding company, we are dependent upon the ability of our subsidiaries to generate earnings and cash flows and distribute them to us so that we may pay dividends to our stockholders. We expect to cause Artisan Partners Holdings, which is a Delaware limited partnership, to make distributions to its partners, including us, in an amount sufficient for us to pay dividends. However, its ability to make such distributions will be subject to its and its subsidiaries’ operating results, cash requirements and financial condition, the applicable provisions of Delaware law that may limit the amount of funds available for distribution to its partners, its compliance with covenants and financial ratios related to existing or future indebtedness, including under our notes and our revolving credit agreement, its other agreements with third parties, as well as its obligation to make tax distributions under its partnership agreement (which distributions would reduce the cash available for distributions by Artisan Partners Holdings to us). Our ability to pay cash dividends to our Class A stockholders with the distributions received by us as general partner of Artisan Partners Holdings will be subject to the prior right of holders of our convertible preferred stock to receive distributions attributable to the distributions (net of taxes) made on the preferred units of Artisan Partners Holdings that we hold and, as a Delaware corporation, the applicable provisions of Delaware law. In addition, each of the companies in the corporate chain must manage its assets, liabilities and working capital in order to meet all of its cash obligations, including the payment of dividends or distributions. As a consequence of these various limitations and restrictions, we may not be able to make, or may have to reduce or eliminate, the payment of dividends on our Class A common stock. Any change in the level of our dividends or the suspension of the payment thereof could adversely affect the market price of our Class A common stock.

Our ability to pay taxes and expenses, including payments under the tax receivable agreements, may be limited by our holding company structure.

As a holding company, our assets principally consist of our ownership of partnership units of Artisan Partners Holdings, deferred tax assets and cash and we have no independent means of generating revenue. Artisan Partners Holdings is a partnership for U.S. federal income tax purposes and, as such, is not subject to U.S. federal income tax. Instead, taxable income is allocated to holders of its partnership units, including us. Accordingly, we incur income taxes on our proportionate share of any net taxable income of Artisan Partners Holdings and also incur expenses related to our operations. Under the terms of its amended and restated limited partnership agreement, Artisan Partners Holdings is obligated to make tax distributions to holders of its partnership units, including us. In addition to tax expenses, we also incur expenses related to our operations, including expenses under the tax receivable agreements, which we expect will be significant. We intend to cause Artisan Partners Holdings to make distributions in an amount sufficient to allow us to pay our taxes and operating expenses, including any payments due under the tax receivable agreements. However, its ability to make such distributions will be subject to various limitations and restrictions as set forth in the preceding risk factor. If, as a consequence of these various limitations and restrictions, we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow funds and thus our liquidity and financial condition could be materially adversely affected. To the extent that we are unable to make payments when due under the tax receivable agreements for any reason, such payments will be deferred and will accrue interest at a rate equal to one-year LIBOR plus 300 basis points until paid.

We will be required to pay holders of our convertible preferred stock and holders of limited partnership units of Artisan Partners Holdings for certain tax benefits we claim, and we expect that the payments we will be required to make will be substantial.

The H&F Corp Merger and our purchase of Class A common units in connection with our IPO and our purchase of preferred units in connection with the November 2013 Offering resulted in favorable tax attributes for us. In addition, future exchanges of limited partnership units of Artisan Partners Holdings and future purchases or redemptions of limited partnership units are expected to produce additional favorable tax attributes for us. When we acquire partnership units from existing partners, both the existing basis and the anticipated basis adjustments are likely to

increase (for tax purposes) depreciation and amortization deductions allocable to us from Artisan Partners Holdings and therefore reduce the amount of income tax we would otherwise be required to pay in the future. This increase in tax basis may also decrease gain (or increase loss) on future dispositions of certain capital assets to the extent the increased tax basis is allocated to those capital assets.

We are party to two tax receivable agreements. The first tax receivable agreement, with the holders of convertible preferred stock issued as consideration for the H&F Corp Merger, generally provides for the payment by us to such stockholders of 85% of the amount of cash savings, if any, in U.S. federal and state income tax that we actually realize (or are deemed to realize in certain circumstances) as a result of (i) existing tax basis in Artisan Partners Holdings' assets with respect to the preferred units acquired by us in the merger that arose from certain prior distributions by Artisan Partners Holdings and prior purchases of partnership interests by H&F Corp, (ii) any net operating losses available to us as a result of the H&F Corp Merger, and (iii) tax benefits related to imputed interest deemed to be paid by us as a result of this tax receivable agreement.

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The second tax receivable agreement, with each of the holders of common and preferred units, generally provides for the payment by us to each of them of 85% of the amount of the cash savings, if any, in U.S. federal and state income tax that we actually realize (or are deemed to realize in certain circumstances) as a result of (i) any step-up in tax basis in Artisan Partners Holdings' assets resulting from (a) the purchase or redemption of limited partnership units or the exchange of limited partnership units (along with the corresponding shares of our Class B or Class C common stock) for shares of our Class A common stock or convertible preferred stock and (b) payments under this tax receivable agreement, (ii) certain prior distributions by Artisan Partners Holdings and prior transfers or exchanges of partnership interests which resulted in tax basis adjustments to the assets of Artisan Partners Holdings and (iii) tax benefits related to imputed interest deemed to be paid by us as a result of this tax receivable agreement.

The payment obligation under the tax receivable agreements is an obligation of Artisan Partners Asset Management, not Artisan Partners Holdings, and we expect that the payments we will be required to make under the tax receivable agreements will be substantial. Assuming no material changes in the relevant tax law and that we earn sufficient taxable income to realize all tax benefits that are subject to the tax receivable agreements, we expect that the reduction in tax payments for us associated with (i) the H&F Corp Merger, (ii) our purchase of common units from certain of our investors in connection with our IPO, (iii) our purchase of preferred units from certain of our investors in connection with the November 2013 Offering, and (iv) future purchases, redemptions or exchanges of limited partnership units as described above would aggregate to approximately \$2.0 billion over 15 years, assuming the future purchases, redemptions or exchanges described in clause (iv) occurred when the market value of our Class A Common stock was \$65.19, the closing price of our Class A common stock on December 31, 2013. Under such scenario we would be required to pay the other parties to the tax receivable agreements 85% of such amount, or \$1.7 billion, over the 15-year period. The actual amounts may materially differ from these hypothetical amounts, as potential future reductions in tax payments for us and tax receivable agreement payments by us will be calculated using the market value of our Class A common stock at the time of purchase, redemption or exchange and the prevailing tax rates applicable to us over the life of the tax receivable agreements and will be dependent on us generating sufficient future taxable income to realize the benefit. As of December 31, 2013, we recorded a \$160.7 million liability, representing amounts payable under the tax receivable agreements equal to 85% of the tax benefit we expected to realize from the H&F Corp Merger, our purchase of Class A common units in connection with our IPO and our purchased of preferred units in connection with the November 2013 Offering, assuming no material changes in the related tax law and that we earn sufficient taxable income to realize all tax benefits subject to the tax receivable agreements. The liability will increase upon future purchases, redemptions or exchanges of units of Artisan Partners Holdings with the increase representing amounts payable under the tax receivable agreements equal to 85% of the estimated future tax benefits, if any, resulting from the purchases, redemptions or exchanges. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Factors Impacting Our Results of Operations—Tax Impact of IPO Reorganization". Payments under the tax receivable agreements are not conditioned on the counterparties' continued ownership of us. The actual increase in tax basis, as well as the amount and timing of any payments under these agreements, will vary depending upon a number of factors, including the timing of purchases, redemptions or exchanges of limited partnership units, the price of our Class A common stock or the value of our convertible preferred stock, as the case may be, at the time of the purchase, redemption or exchange, the extent to which such transactions are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable as well as the portion of our payments under the tax receivable agreements constituting imputed interest or depreciable or amortizable basis. Payments under the tax receivable agreements are expected to give rise to certain additional tax benefits attributable to either further increases in basis or in the form of deductions for imputed interest, depending on the tax receivable agreement and the circumstances. Any such benefits are covered by the tax receivable agreements and will increase the amounts due thereunder. In addition, the tax receivable agreements provide for interest, at a rate equal to one-year LIBOR plus 100 basis points, accrued from the due date (without extensions) of the corresponding tax return to the payment due date specified by the tax receivable agreements. In addition, to the extent that we are unable to make payments when due under the tax receivable agreements for any reason, such payments will be deferred and will accrue interest at a rate equal to one-year LIBOR plus 300 basis points until paid.

Payments under the tax receivable agreements will be based on the tax reporting positions that we determine. Although we are not aware of any issue that would cause the IRS to challenge a tax basis increase or other tax attributes subject to the tax receivable agreements, we will not be reimbursed for any payments previously made under the tax receivable agreements if such basis increases or other benefits are subsequently disallowed. As a result, in certain circumstances, payments could be made under the tax receivable agreements in excess of the benefits that we actually realize in respect of the attributes to which the tax receivable agreements relate.

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In certain cases, payments under the tax receivable agreements to our pre-IPO owners may be accelerated and/or significantly exceed the actual benefits we realize in respect of the tax attributes subject to the tax receivable agreements.

The tax receivable agreements provide that (i) upon certain mergers, asset sales, other forms of business combinations or other changes of control, (ii) in the event that we materially breach any of our material obligations under the agreements, whether as a result of failure to make any payment within six months of when due (provided we have sufficient funds to make such payment), failure to honor any other material obligation required thereunder or by operation of law as a result of the rejection of the agreements in a bankruptcy or otherwise, or (iii) if, at any time, we elect an early termination of the agreements, our (or our successor's) obligations under the agreements (with respect to all units, whether or not units have been exchanged or acquired before or after such transaction) would be based on certain assumptions. In the case of a material breach or if we elect early termination, those assumptions include that we would have sufficient taxable income to fully utilize the deductions arising from the increased tax deductions and tax basis and other benefits related to entering into the tax receivable agreements. In the case of a change of control, the assumptions include that in each taxable year ending on or after the closing date of the change of control, our taxable income (prior to the application of the tax deductions and tax basis and other benefits related to entering into the tax receivable agreements) will equal the greater of (i) the actual taxable income (prior to the application of the tax deductions and tax basis and other benefits related to entering into the tax receivable agreements) for the taxable year and (ii) the highest taxable income (calculated without taking into account extraordinary items of income or deduction and prior to the application of the tax deductions and tax basis and other benefits related to entering into the tax receivable agreements) in any of the four fiscal quarters ended prior to the closing date of the change of control, annualized and increased by 10% for each taxable year beginning with the second taxable year following the closing date of the change of control. (The change of control that we expect to occur for purposes of the 1940 Act and the Advisers Act in March 2014 resulting from the resignation from the stockholders committee of the AIC designee will not constitute a change of control as defined under the tax receivable agreements.) In the event we elect to terminate the agreements early or we materially breach a material obligation, our obligations under the agreements will accelerate. As a result, (i) we could be required to make payments under the tax receivable agreements that are greater than or less than the specified percentage of the actual benefits we realize in respect of the tax attributes subject to the agreements and (ii) if we materially breach a material obligation under the agreements or if we elect to terminate the agreements early, we would be required to make an immediate payment equal to the present value of the anticipated future tax benefits, which payment may be made significantly in advance of the actual realization of such future benefits. In these situations, our obligations under the tax receivable agreements could have a substantial negative impact on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. There can be no assurance that we will be able to finance our obligations under the tax receivable agreements. If we were to elect to terminate the tax receivable agreements, based on an assumed discount rate equal to one-year LIBOR plus 100 basis points, we estimate that we would be required to pay \$1.5 billion in the aggregate under the tax receivable agreements.

In the case of dissolution of Artisan Partners Holdings or a partial capital event, the rights of the holders of our Class A common stock to distributions will be subject to the H&F preference.

The holders of preferred units of Artisan Partners Holdings are entitled to preferential distributions (in proportion to their respective number of units) in the case of a partial capital event or upon dissolution of Artisan Partners Holdings. In the case of any preferential distributions on the preferred units, the company will be obligated to pay the holder of each share of convertible preferred stock a preferential distribution equal to the distribution made on a preferred unit, net of taxes, if any, payable by the company on (without duplication) (i) allocations of taxable income related to such distributions and (ii) the distributions themselves, in each case in respect of the preferred units held by us (using an assumed tax rate based on the maximum combined corporate federal, state and local income tax rate applicable to us). We refer in this document to those preference rights as the H&F preference.

Net proceeds from a partial capital event will be distributed 60% to the holders of the preferred units and 40% to the holders of all other partnership units (including the GP units held by us that correspond to shares of our Class A common stock) until the amount distributed on each preferred unit in respect of all partial capital events equals

\$34.49, which we refer in this document to as the per unit preference amount. A “partial capital event” means any sale, transfer, conveyance or disposition of assets of Artisan Partners Holdings for cash or other liquid consideration (other than in a transaction (i) in the ordinary course of business, (ii) that involves assets with a fair market value of less than or equal to 1% of the consolidated assets of Artisan Partners Holdings or (iii) that is part of or would result in a dissolution of Artisan Partners Holdings), or the incurrence of indebtedness by Artisan Partners Holdings or its subsidiaries, the principal purpose of which is to distribute the proceeds to the partners or equity holders thereof. A “partial capital event” does not include any payment from proceeds of the November 2013 Offering or the incurrence of any indebtedness that is refinancing indebtedness of Artisan Partners Holdings outstanding on or prior to March 12, 2013.

In the case of dissolution of Artisan Partners Holdings, the assets of Artisan Partners Holdings would be distributed (after satisfaction of its debts and liabilities and distribution of any accrued and undistributed profits) to the holders of preferred units, including us, until the amount distributed on each preferred unit, taking into account any preferential distributions previously made in connection with a partial capital event, equals the per unit preference amount.

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The H&F preference will terminate if the average of the daily VWAP of our Class A common stock over any period of 60 consecutive trading days, beginning no earlier than June 12, 2014, is at least \$43.11 divided by the then-applicable conversion rate.

The H&F preference may give rise to conflicts of interests for one of our directors.

The holders (other than us) of a majority of the preferred units and our convertible preferred stock are entitled to designate one director nominee as long as they directly or indirectly own shares of our capital stock constituting at least 5% of the number of shares of our common stock and our convertible preferred stock outstanding. Given the economic benefits of the H&F preference, there may be circumstances in which the interests of the holders of the preferred units and our convertible preferred stock, and thus the interests of their director representative, who is currently Allen R. Thorpe, are in conflict with the interests of our Class A stockholders.

If we were deemed an investment company under the 1940 Act as a result of our ownership of Artisan Partners Holdings, applicable restrictions could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Under Sections 3(a)(1)(A) and (C) of the 1940 Act, a company generally will be deemed to be an “investment company” for purposes of the 1940 Act if (i) it is, or holds itself out as being, engaged primarily, or proposes to engage primarily, in the business of investing, reinvesting or trading in securities or (ii) it engages, or proposes to engage, in the business of investing, reinvesting, owning, holding or trading in securities and, absent an applicable exemption, it owns or proposes to acquire investment securities having a value exceeding 40% of the value of its total assets (exclusive of U.S. government securities and cash items) on an unconsolidated basis. We do not believe that we are an “investment company”, as such term is defined in either of those sections of the 1940 Act.

As the sole general partner of Artisan Partners Holdings, we control and operate Artisan Partners Holdings. On that basis, we believe that our interest in Artisan Partners Holdings is not an “investment security” as that term is used in the 1940 Act. However, if we were to cease participation in the management of Artisan Partners Holdings, our interest in Artisan Partners Holdings could be deemed an “investment security” for purposes of the 1940 Act.

We and Artisan Partners Holdings intend to continue to conduct our operations so that we will not be deemed an investment company. However, if we were to be deemed an investment company, restrictions imposed by the 1940 Act, including limitations on our capital structure and our ability to transact with affiliates, could make it impractical for us to continue our business as contemplated and could have a material adverse effect on our business.

Risks Related to Our Class A Common Stock

The market price and trading volume of our Class A common stock may be volatile, which could result in rapid and substantial losses for our stockholders.

The market price of our Class A common stock may be highly volatile and could be subject to wide fluctuations. In addition, the trading volume of our Class A common stock may fluctuate and cause significant price variations to occur. If the market price of our Class A common stock declines significantly, investors may be unable to sell shares of Class A common stock at or above their purchase price, if at all. The market price of our Class A common stock may fluctuate or decline significantly in the future. Some of the factors that could negatively affect the price of our Class A common stock, or result in fluctuations in the price or trading volume of our Class A common stock, include:

- variations in our quarterly operating results;
- failure to meet analysts’ earnings expectations;
- publication of research reports about us or the investment management industry, or the failure of securities analysts to cover our Class A common stock;
- departures of any of our portfolio managers or members of our management team or additions or departures of other key personnel;
- adverse market reaction to any indebtedness we may incur or securities we may issue in the future;
- actions by stockholders;
- changes in market valuations of similar companies;
- actual or anticipated poor performance in one or more of the investment strategies we offer;

changes or proposed changes in laws or regulations, or differing interpretations thereof, affecting our business, or enforcement of these laws and regulations, or announcements relating to these matters;

adverse publicity about the investment management industry generally, or particular scandals, specifically;

litigation and governmental investigations;

the relatively low trading volume and public float of our Class A common stock;

sales of a large number of shares of our Class A common stock or the perception that such sales could occur; and

general market and economic conditions.

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Future sales of our Class A common stock in the public market could lower our stock price, and any future grant or sale of equity or convertible securities may dilute existing stockholders' ownership in us.

The market price of our Class A common stock could decline as a result of the completion of the registered public offering we have agreed to conduct on or around the first anniversary of our IPO (in March 2014), additional future sales of a large number of shares of our Class A common stock, or the perception that such sales could occur. These sales, or the possibility that these sales may occur, also may make it more difficult for us to raise additional capital by selling equity securities in the future, at a time and price that we deem appropriate.

We have entered into a resale and registration rights agreement with each holder of limited partnership units of Artisan Partners Holdings and each holder of our convertible preferred stock, pursuant to which the shares of our Class A common stock issued upon exchange of limited partnership units, and, if applicable, conversion of convertible preferred stock, are eligible for resale. Such shares of Class A common stock may be transferred only in accordance with the terms and conditions of the resale and registration rights agreement.

In each one-year period, the first of which will begin on and include the date of the completion of the offering we have agreed to conduct on or around the first anniversary of our IPO (in March 2014), an employee-partner is permitted to sell (i) a number of vested shares of our Class A common stock representing up to 15% of the aggregate number of common units and shares of Class A common stock received upon exchange of common units (in each case, whether vested or unvested) he or she held as of the first day of that period (as well as the number of shares such holder could have sold in any previous period or periods but did not sell in such period or periods) or, (ii) if greater, vested shares of our Class A common stock having a market value as of the time of sale of up to \$250,000. AIC is permitted to sell a number of shares of Class A common stock representing up to 15% of its aggregate number of common units and shares of Class A common stock received upon exchange of common units in the one-year period beginning on and including the date of the completion of the offering we have agreed to conduct on or around the first anniversary of our IPO (in March 2014). There will be no limit on the number of shares of our Class A common stock AIC is permitted to sell after the later of (i) the termination of Mr. Ziegler's employment (which is expected to occur on March 12, 2014 pursuant to his employment agreement) and (ii) (A) June 12, 2014 or (B) the expiration of the lock-up period in connection with the offering we have agreed to conduct on or around the first anniversary of our IPO (in March 2014), if that offering is completed prior to June 12, 2014. Any common units we purchase from AIC and/or an employee-partner in connection with the offering we have agreed to conduct on or around the first anniversary of our IPO (in March 2014) will be included when calculating the maximum number of shares of Class A common stock such person is permitted to sell in the first one-year period. As of the date of this report, our employee-partners owned 25.3 million Class B common units and AIC owned 9.6 million Class D common units.

Following (i) June 12, 2014 or (ii) the expiration of the lock-up period in connection with the offering we have agreed to conduct on or around the first anniversary of our IPO (in March 2014), if that offering is completed prior to June 12, 2014, the holders of preferred units and Class A common units of Artisan Partners Holdings and of our convertible preferred stock are permitted to sell any or all of their shares in any manner of sale permitted under the securities laws, subject to certain volume and timing restrictions. As of the date of this report, there were 3.6 million preferred units and 1.2 million shares of our convertible preferred stock outstanding, and the holders of Class A common units owned 11 million Class A common units.

In addition, after the same time period, certain of our investors will each have demand registration rights, subject to certain restrictions and conditions.

We have filed a registration statement registering 15,000,000 shares of our Class A common stock for issuance pursuant to our 2013 Omnibus Incentive Compensation Plan and 2013 Non-Employee Director Plan. We have issued 1,616,969 restricted shares of Class A common stock to our employees and employees of our subsidiaries. In general, these shares vest pro rata over the five years from the date of issuance and may be sold upon vesting. We may increase the number of shares registered for this purpose from time to time. Once we register these shares and they have been issued and have vested, they will be able to be sold in the public market.

We may also purchase limited partnerships units of Holdings or shares of our convertible preferred stock at any time and may issue and sell additional shares of our Class A common stock to fund such purchases. We cannot predict the size of future issuances of our Class A common stock or the effect, if any, that future issuances and sales of shares of

our Class A common stock may have on the market price of our Class A common stock. Sales or distributions of substantial amounts of our Class A common stock (including shares issued in connection with an acquisition), or the perception that such sales could occur, may cause the market price of our Class A common stock to decline.

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The disparity in the voting rights among the classes of our capital stock may have a potential adverse effect on the price of our Class A common stock.

Each share of our Class A common stock, Class C common stock and convertible preferred stock entitles its holder to one vote on all matters to be voted on by stockholders generally, while each share of our Class B common stock entitles its holder to five votes on all matters to be voted on by stockholders generally for so long as the holders of our Class B common stock collectively hold at least 20% of the number of outstanding shares of our common stock and our convertible preferred stock. The difference in voting rights could adversely affect the value of our Class A common stock by, for example, delaying or deferring a change of control or if investors view, or any potential future purchaser of our company views, the superior voting rights of the Class B common stock to have value.

Anti-takeover provisions in our restated certificate of incorporation and amended and restated bylaws and in the Delaware General Corporation Law could discourage a change of control that our stockholders may favor, which could negatively affect the market price of our Class A common stock.

Provisions in our restated certificate of incorporation, amended and restated bylaws and in the Delaware General Corporation Law, or the DGCL, may make it more difficult and expensive for a third party to acquire control of us even if a change of control would be beneficial to the interests of our stockholders. Those provisions include:

- the disparity in the voting rights among the classes of our capital stock;
- the right of the various classes of our capital stock to vote, as separate classes, on certain amendments to our restated certificate of incorporation and certain fundamental transactions;
- the ability of our board of directors to determine to issue shares of preferred stock and to determine the price and other terms of those shares, which could be used to thwart a takeover attempt;
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror's own slate of directors or otherwise attempting to obtain control of us;
- a limitation that, generally, stockholder action may only be taken at an annual or special meeting or by unanimous written consent;
- a requirement that a special meeting of stockholders may be called only by our board of directors, our Executive Chairman or our Chief Executive Officer, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- the ability of our board of directors to adopt, amend and repeal our amended and restated bylaws by majority vote, while such action by stockholders would require a super majority vote, which makes it more difficult for stockholders to change certain provisions described above.

The market price of our Class A common stock could be adversely affected to the extent that the provisions of our restated certificate of incorporation and amended and restated bylaws discourage potential takeover attempts that our stockholders may favor.

Our restated certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents.

Our restated certificate of incorporation provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our restated certificate of incorporation or our amended and restated bylaws or (iv) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein and the claim not being one which is vested in the exclusive jurisdiction of a court or forum other than the

Court of Chancery or for which the Court of Chancery does not have subject matter jurisdiction. Any person purchasing or otherwise acquiring any interest in any shares of our capital stock shall be deemed to have notice of and to have consented to this provision of our restated certificate of incorporation. This choice of forum provision may limit our stockholders' ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and our directors, officers, employees and agents. Alternatively, if a court were to find this provision of our restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business and financial condition.

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Our indemnification obligations may pose substantial risks to our financial condition.

Pursuant to our restated certificate of incorporation, we will indemnify our directors and officers to the fullest extent permitted by Delaware law against all liability and expense incurred by them in their capacities as directors or officers of us. We also are obligated to pay their expenses in connection with the defense of claims. Our bylaws provide for similar indemnification of, and advancement of expenses to, our directors, officers, employees and agents and members of our stockholders committee. We have also entered into indemnification agreements with each of our directors and executive officers and each member of our stockholders committee, pursuant to which we will indemnify them to the fullest extent permitted by Delaware law in connection with their service in such capacities. Artisan Partners Holdings will indemnify and advance expenses to AIC, as its former general partner, the former members of its pre-IPO Advisory Committee, the members of our stockholders committee, our directors and officers and its officers and employees against any liability and expenses incurred by them and arising as a result of the capacities in which they serve or served Artisan Partners Holdings. We have obtained liability insurance insuring our directors, officers and members of our stockholders committee against liability for acts or omissions in their capacities as directors, officers or committee members subject to certain exclusions. These indemnification obligations may pose substantial risks to our financial condition, as we may not be able to maintain our insurance or, even if we are able to maintain our insurance, claims in excess of our insurance coverage could be material. In addition, these indemnification obligations and other provisions of our restated certificate of incorporation, and the amended and restated partnership agreement of Artisan Partners Holdings, may have the effect of reducing the likelihood of derivative litigation against indemnified persons, and may discourage or deter stockholders or management from bringing a lawsuit against such persons, even though such an action, if successful, might otherwise have benefited us and our stockholders.

Our restated certificate of incorporation provides that certain of our investors do not have an obligation to offer us business opportunities.

Our restated certificate of incorporation provides that, to the fullest extent permitted by applicable law, certain of our investors and their respective affiliates (including affiliates who serve on our board of directors) have no obligation to offer us an opportunity to participate in the business opportunities presented to them, even if the opportunity is one that we might reasonably have pursued (and therefore they may be free to compete with us in the same business or similar business). Furthermore, we renounce and waive and agree not to assert any claim for breach of any fiduciary or other duty relating to any such opportunity against those investors and their affiliates by reason of any such activities unless, in the case of any person who is our director or officer, such opportunity is expressly offered to such director or officer in writing solely in his or her capacity as an officer or director of us. This may create actual and potential conflicts of interest between us and certain of our investors and their affiliates (including certain of our directors).

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business or our industry, our stock price and trading volume could decline.

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business, or about the investment management industry generally. If one or more of the analysts who cover us downgrades our stock or publishes unfavorable research about our business or about the investment management industry, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

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Item 1B. Unresolved Staff Comments

None

Item 2. Properties

We operate our business from offices in Milwaukee, Wisconsin; San Francisco, California; Atlanta, Georgia; New York, New York; Wilmington, Delaware; Leawood, Kansas; London and Singapore. Most of our business operations are based in Milwaukee. Our Chief Executive Officer and Chief Financial Officer, along with other employees, are based in San Francisco. We lease office space in each location and believe our existing and contracted-for facilities are adequate to meet our requirements.

Item 3. Legal Proceedings

In the normal course of business, we may be subject to various legal and administrative proceedings. Currently, there are no legal or administrative proceedings that management believes may have a material effect on our consolidated financial position or results of operations.

Item 4. Mine Safety Disclosures

Not applicable

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PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Shares of our Class A common stock have been listed and traded on the NYSE under the symbol “APAM” since March 7, 2013. The following table sets forth, for the periods indicated, the high and low intra-day sale prices in dollars on the NYSE for our Class A common stock and the dividends per share of Class A common stock we declared during the periods indicated.

	High	Low	Dividends Declared
March 7, 2013 through March 31, 2013	\$41.54	\$34.85	\$—
For the quarter ended June 30, 2013	\$55.61	\$36.57	\$—
For the quarter ended September 30, 2013	\$55.10	\$46.02	\$0.43
For the quarter ending December 31, 2013	\$66.01	\$50.89	\$0.43

There is no trading market for shares of our Class B common stock, Class C common stock or convertible preferred stock.

On December 31, 2013, the last reported sale price for our Class A common stock on the NYSE was \$65.19 per share. As of February 24, 2014, there were approximately 66 stockholders of record of our Class A common stock, 48 stockholders of record of our Class B common stock, 42 stockholders of record of our Class C common stock and 1 stockholder of record of our convertible preferred stock. These figures do not reflect the beneficial ownership or shares held in nominee name, nor do they include holders of any restricted stock units.

Performance Graph

The following graph compares the cumulative total stockholder return on our Class A common stock from the date the shares began trading on the NYSE on March 7, 2013 to December 31, 2013, with the cumulative total return of the S&P 500[®] and the Dow Jones U.S. Asset Managers Index. The graph assumes the investment of \$100 in our common stock and in the market indices on March 7, 2013 and the reinvestment of all dividends.

	3/7/2013	12/31/2013
Artisan Partners Asset Management, Inc.	\$100.00	\$188.06
S&P 500 Index	\$100.00	\$119.91
Dow Jones U.S. Asset Managers Index	\$100.00	\$124.57

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Dividend Policy

Our dividend policy targets the distribution of the majority of annual adjusted earnings through a quarterly dividend and, subject to firm profitability and business conditions, a special annual dividend. We intend to fund dividends from our portion of distributions made by Artisan Partners Holdings from its available cash generated from operations. The holders of our Class B common stock and Class C common stock are not entitled to any cash dividends in their capacity as stockholders, but, in their capacity as holders of limited partnership units of Artisan Partners Holdings, they generally participate on a pro rata basis in distributions by Artisan Partners Holdings.

The declaration and payment of all future dividends, if any, will be at the sole discretion of our board of directors. In determining the amount of any future dividends, our board of directors will take into account: (i) the financial results of Artisan Partners Holdings, (ii) our available cash, as well as anticipated cash requirements (including debt servicing), (iii) our capital requirements and the capital requirements of our subsidiaries (including Artisan Partners Holdings), (iv) contractual, legal, tax and regulatory restrictions on, and implications of, the payment of dividends by us to our stockholders or by our subsidiaries (including Artisan Partners Holdings) to us, including the obligation of Artisan Partners Holdings to make tax distributions to the holders of partnership units (including us), (v) general economic and business conditions and (vi) any other factors that our board of directors may deem relevant.

As a holding company, our assets principally consist of our ownership of partnership units of Artisan Partners Holdings, deferred tax assets and cash. Accordingly, we depend on distributions from Artisan Partners Holdings to fund any dividends we may pay. We intend to cause Artisan Partners Holdings to distribute cash to its partners, including us, in an amount sufficient to cover dividends, if any, declared by us. If we do cause Artisan Partners Holdings to make such distributions, holders of Artisan Partners Holdings limited partnership units will be entitled to receive equivalent distributions on a pro rata basis.

Our dividend policy has certain risks and limitations, particularly with respect to liquidity. Although we expect to pay dividends according to our dividend policy, we may not pay dividends according to our policy, or at all, if, among other things, Artisan Partners Holdings is unable to make distributions to us as a result of its operating results, cash requirements and financial condition, the applicable laws of the State of Delaware (which may limit the amount of funds available for distribution), its compliance with covenants and financial ratios related to indebtedness (including the notes and the revolving credit agreement) and its other agreements with third parties. Our note purchase and revolving credit agreements contain covenants limiting Artisan Partners Holdings' ability to make distributions if a default has occurred and is continuing or would result from such a distribution. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources".

The terms of our convertible preferred stock prevent us from declaring or paying any dividend on our Class A common stock until we have paid to the convertible preferred stockholders an amount per share equal to the proceeds per preferred unit of any distributions we receive on the preferred units held by us plus the cumulative amount of any prior distributions made on the preferred units held by us which have not been paid to the convertible preferred stockholders, net of taxes, if any, payable by us on (without duplication) (i) allocations of taxable income related to such distributions and (ii) the distributions themselves, in each case in respect of the preferred units held by us. We intend to pay dividends on our convertible preferred stock promptly upon receipt of any distributions made on the preferred units of Artisan Partners Holdings that we hold in amounts sufficient to permit the declaration and payment of dividends on our Class A common stock.

Under the Delaware General Corporation Law, we may only pay dividends from legally available surplus or, if there is no such surplus, out of our net profits for the fiscal year in which the dividend is declared and/or the preceding fiscal year. Surplus is defined as the excess of the fair value of our total assets over the sum of the fair value of our total liabilities plus the par value of our outstanding capital stock. Capital stock is defined as the aggregate of the par value of all issued capital stock. To the extent we do not have sufficient cash to pay dividends, we may decide not to pay dividends.

Artisan Partners Holdings' Historical Distributions

Artisan Partners Holdings distributed all of the retained profits of the partnership available for distribution as of the date of the closing of our IPO to its pre-IPO partners. Approximately \$40.0 million of the distribution was made

immediately prior to our IPO, and the other approximately \$65.3 million of the distribution was made following the closing of our IPO with a portion of the IPO net proceeds. During the second, third and fourth quarters of 2013, Artisan Partners Holdings distributed \$20.4 million, \$39.4 million and \$65.4 million, respectively, for income taxes as required under its partnership agreement to holders of its partnership units, including us. On July 17, 2013, October 22, 2013 and February 3, 2014, we, acting as the general partner of Artisan Partners Holdings, declared distributions of \$19.1 million, \$21.4 million and \$131.6 million payable by Artisan Partners Holdings and those distributions were paid on August 22, 2013, November 22, 2013 and February 25, 2014, respectively, to holders of its partnership units, including us.

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Unregistered Sales of Equity Securities

As described in Note 10, "Stockholders' Equity", to the Consolidated Financial Statements included in Item 8 of this report, upon termination of employment with Artisan, an employee-partner's vested Class B common units of Holdings are automatically exchanged for Class E common units, and unvested Class B common units are forfeited. The employee-partner's shares of APAM Class B common stock are canceled and APAM issues the former employee-partner a number of shares of APAM Class C common stock equal to the former employee-partner's number of Class E common units. The former employee-partner's Class E common units are exchangeable for Class A common stock subject to the same restrictions and limitations on exchange applicable to the other common units of Holdings. During the quarter ended December 31, 2013, 357,260 shares of Class B common stock were canceled, and 357,260 shares of Class C common stock were issued, as a result of the termination of employment of employee-partners. The Class C common stock was issued in reliance upon the exemption from the registration requirement of the Securities Act of 1933 provided for by Section 4(a)(2) thereof for transactions not involving a public offering.

Securities Authorized for Issuance Under Equity Compensation Plans

We have registered 15,000,000 shares of our Class A common stock for issuance pursuant to our 2013 Omnibus Incentive Compensation Plan and 2013 Non-Employee Director Plan, which were approved by our sole stockholder prior to the IPO Reorganization. As of December 31, 2013, 13,408,173 shares of Class A common stock were reserved and available for issuance under our equity compensation plans.

Item 6. Selected Financial Data

The following tables set forth selected historical consolidated financial data of Artisan Partners Asset Management as of the dates and for the periods indicated. The selected consolidated statements of operations data for the years ended December 31, 2013, 2012 and 2011 and the selected consolidated statements of financial condition data as of December 31, 2013 and 2012 have been derived from our audited consolidated financial statements included elsewhere in this document. The selected consolidated statements of operations data for the year ended December 31, 2010 and 2009 and the consolidated statement of financial condition as of December 31, 2011, 2010 and 2009 have been derived from consolidated financial statements not included elsewhere in this document. The historical consolidated financial statements are the combined results of Artisan Partners Asset Management and Artisan Partners Holdings. Because Artisan Partners Asset Management and Artisan Partners Holdings were under common control at the time of the IPO Reorganization, Artisan Partners Asset Management's acquisition of control of Artisan Partners Holdings was accounted for as a transaction among entities under common control. Artisan Partners Asset Management has been allocated a part of Artisan Partners Holdings' net income since March 12, 2013, when it became Artisan Partners Holdings' general partner.

We released our preliminary 2013 year-end earnings on February 3, 2014, which reported GAAP losses of \$1.42 and \$0.63 per basic and diluted common share for the quarter ended and year ended December 31, 2013, respectively. In finalizing our audited consolidated financial statements we have adjusted those results to losses of \$3.04 and \$2.04 per basic and diluted common share, respectively. See Note 13, "Earnings (Loss) Per Share" in the Notes to the Consolidated Financial Statements in Item 8 of this report for a discussion of the calculation of Earnings (loss) per basic and diluted common share. None of our other previously released financial results (such as non-GAAP adjusted net income per adjusted share or GAAP net income) for the quarter or year ended December 31, 2013 were impacted by the adjustments noted above.

You should read the following selected historical consolidated financial data together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements and Notes.

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	For the Year Ended December 31,				
	2013	2012	2011	2010	2009
	(in millions, except per-share data)				
Statements of Operations Data:					
Revenues					
Management fees					
Mutual funds	\$464.3	\$336.2	\$305.2	\$261.6	\$197.2
Separate accounts	219.0	167.8	145.8	117.8	95.5
Performance fees	2.5	1.6	4.1	2.9	3.5
Total revenues	\$685.8	\$505.6	\$455.1	\$382.3	\$296.2
Operating Expenses					
Salaries, incentive compensation and benefits	309.2	227.3	198.6	166.6	132.9
Pre-offering related compensation-share-based awards	404.2	101.7	(21.1)	79.1	41.8
Pre-offering related compensation-other	143.0	54.1	55.7	17.6	2.5
Total compensation and benefits	856.4	383.1	233.2	263.3	177.2
Distribution and marketing	38.4	29.0	26.2	23.0	17.8
Occupancy	10.5	9.3	9.0	8.1	8.0
Communication and technology	14.4	13.2	10.6	9.9	10.1
General and administrative	27.3	23.9	21.8	12.8	10.0
Total operating expenses	947.0	458.5	300.8	317.1	223.1
Operating income (loss)	(261.2)	47.1	154.3	65.2	73.1
Non-operating income (loss)					
Interest expense	(11.9				