Artisan Partners Asset Management Inc.
Form S-3/A
April 02, 2014
Table of Contents

As filed with the Securities and Exchange Commission on April 2, 2014.

Registration No. 333-194684

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

AMENDMENT NO. 1

TO

FORM S-1

ON

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

Artisan Partners Asset Management Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware (State or Other Jurisdiction of Incorporation or Organization)	6282 (Primary Standard Industrial Classification Code Number)	45-0969585 (IRS Employer Identification Number)

875 E. Wisconsin Avenue, Suite 800

Milwaukee, WI 53202

(414) 390-6100

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant s Principal Executive Offices)

SARAH A. JOHNSON

Chief Legal Officer

Artisan Partners Asset Management Inc.

875 E. Wisconsin Ave., Suite 800

Milwaukee, WI 53202

(414) 390-6100

(Name, Address, Including Zip Code, and Telephone Number, Including Area Code, of Agent for Service)

Copies to:

MARK J. MENTING

CATHERINE M. CLARKIN

Sullivan & Cromwell LLP

125 Broad Street

New York, NY 10004

(212) 558-4000

Approximate date of commencement of proposed sale to the public: As soon as practicable after the effective date of this Registration Statement.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, please check the following box. ¨

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box. x

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box. ¨

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box. ¨

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 Securities Exchange Act of 1934.

(Check one):

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

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered(1)	Proposed maximum offering price per share	Proposed maximum aggregate offering price	Amount of registration fee
Class A common stock, par value $0.01 per share	**41,937,223**	**$63.30(2)**	**$2,654,626,216(2)**	**$341,916(4)**
Convertible preferred stock, par value $0.01 per share	**1,381,887**	**$29.14(3)**	**$40,268,188(3)**	**$5,187(4)**

(1) This Registration Statement registers (a) 41,937,223 shares of Class A common stock of Artisan Partners Asset Management Inc. issuable upon exchange of limited partnership units of Artisan Partners Holdings LP, (b) 1,381,887 shares of convertible preferred stock issuable upon exchange of limited partnership units of Artisan Partners Holdings LP and (c) 1,381,887 shares of Class A common stock of Artisan Partners Asset Management Inc. issuable upon conversion of such shares of convertible preferred stock. This Registration Statement also relates to such additional shares of Class A common stock of Artisan Partners Asset Management Inc. as may be issued with respect to such shares of Class A common stock by way of a stock dividend, stock split or similar transaction. Of the 41,937,223 shares of Class A common stock registered hereunder, 1,381,887 shares of Class A common stock may be issued either upon exchange, as described in clause (a) above, or upon conversion, as described in clause (c) above.

(2) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(c) under the Securities Act of 1933, as amended, based upon the average of the high and low reported sale prices of the shares of the Registrant s Class A common stock on the New York Stock Exchange on March 14, 2014.

(3) Estimated solely for purposes of computing the amount of the registration fee pursuant to Rule 457(i) under the Securities Act of 1933, as amended. Because there is no market for such shares, the fee is based upon the book value of such shares as of March 17, 2014.

(4) Previously paid.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Table of Contents

EXPLANATORY NOTE

We previously filed a Registration Statement on Form S-1 (File No. 333-194684) (the Registration Statement) with the Securities and Exchange Commission on March 19, 2014. This Amendment No. 1 on Form S-3 is being filed to convert the Registration Statement on Form S-1 into a registration statement on Form S-3. All applicable filing fees were paid at the original filing of the Registration Statement.

Table of Contents

The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to Completion. Dated April 2, 2014.

Class A Common Stock

Convertible Preferred Stock

Artisan Partners Asset Management Inc. may issue from time to time up to 41,937,223 shares of Class A common stock to the holders of limited partnership units, or LP units, of Artisan Partners Holdings LP, our direct subsidiary, including to certain of our directors and executive officers or their affiliates, upon exchange of common units and preferred units of Artisan Partners Holdings LP. Artisan Partners Asset Management Inc. also may issue from time to time up to 1,381,887 shares of convertible preferred stock to the holders of preferred units of Artisan Partners Holdings LP, which are affiliates of one of our directors, upon exchange of such preferred units and up to 1,381,887 shares of Class A common stock issuable upon conversion of such shares of convertible preferred stock. Such exchanges and conversions are described herein. Artisan Partners Asset Management Inc. is organized under the laws of Delaware and is the general partner of Artisan Partners Holdings LP, a Delaware limited partnership.

Under the exchange agreement we entered into with the holders of LP units, the holders of LP units (other than us) may, subject to certain restrictions set forth in the exchange agreement, exchange their common units (together with an equal number of shares of our Class B or Class C common stock, as applicable) for shares of our Class A common stock on a one-for-one basis and exchange their preferred units (together with an equal number of shares of Class C common stock) either for shares of our convertible preferred stock on a one-for-one basis or for shares of our Class A common stock at the conversion rate, which is currently one-for-one but subject to adjustment to reflect the payment of any preferential distributions made to the holders of our convertible preferred stock. Under our restated certificate of incorporation, shares of our convertible preferred stock are convertible at the election of the holder into shares of our Class A common stock at the same conversion rate. See Description of Capital Stock Preferred Stock Convertible Preferred Stock Convertible Preferred Stock Conversion Rate .

We are registering the issuance of our Class A common stock to permit the holders of LP units who exchange their LP units and certain holders of our convertible preferred stock who convert their shares of convertible preferred stock to sell without restriction in the open market or otherwise the shares of Class A common stock that they receive upon exchange or conversion, respectively. The shares of Class A common stock registered hereunder will only be issued to the extent that the holders of LP units exchange their units for shares of Class A common stock and/or the holders of shares of our convertible preferred stock convert their shares into shares of Class A common stock. The shares of convertible preferred stock registered hereunder will only be issued to the extent that the holders of preferred units exchange such units for shares of convertible preferred stock. We will not receive any cash proceeds from the issuance of any of the shares registered hereunder.

The Class A common stock is listed on the New York Stock Exchange under the symbol APAM . The last reported sale price of the Class A common stock on March 31, 2014 was $64.25 per share.

We are an emerging growth company under the federal securities laws and, as such, are eligible for reduced public company reporting and other requirements. See Risk Factors on page 2 to read about factors you should consider before buying shares of the Class A common stock.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

Prospectus dated , 2014

Table of Contents

TABLE OF CONTENTS

We are responsible for the information contained in this prospectus, in the documents incorporated by reference in this prospectus and in any free writing prospectus we may authorize to be delivered to you. We have not authorized anyone to give you any other information, and take no responsibility for any other information or representations that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or incorporated by reference is current only as of its date, regardless of the time and delivery of this prospectus or of any sale of the shares. You should read carefully the entire prospectus, as well as the documents incorporated by reference in the prospectus, before making an investment decision.

Except where the context requires otherwise, in this prospectus:

AIC refers to Artisan Investment Corporation, an entity controlled by Andrew A. Ziegler and Carlene M. Ziegler, who are married to each other, and through which Mr. Ziegler and Mrs. Ziegler maintain their ownership interests in Artisan Partners Holdings;

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;

Artisan Partners Asset Management Inc. , Artisan , Artisan Partners Asset Management , the company , we , us and our refer t Partners Asset Management Inc., a Delaware corporation, and, unless the context otherwise requires, its direct and indirect subsidiaries, and, for periods prior to our initial public offering, Artisan, the company, we, us and our refer to Artisan Partners Holdings LP and, unless the context otherwise requires, its direct and indirect subsidiaries;

Table of Contents

Artisan Partners Holdings and Holdings refer to Artisan Partners Holdings LP, a limited partnership organized under the laws of the State of Delaware, and, unless the context otherwise requires, its direct and indirect subsidiaries;

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 (such accounts include collective investment trusts, which are pools of retirement plan assets maintained by a bank or trust company, and other pooled investment vehicles for which we are investment adviser, each of which we manage on a separate account basis);

employee includes limited partners of Artisan Partners Holdings whose full-time professional efforts are devoted to providing services to us;

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; and

2014 Follow-On Offering means the public offering of 9,284,337 shares of Class A common stock of Artisan Partners Asset Management Inc. completed on March 12, 2014.

Table of Contents

ARTISAN PARTNERS ASSET MANAGEMENT

Founded in 1994, we are an investment management firm that provides a broad range of U.S., non-U.S. and global 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. We offer to clients 14 actively-managed investment strategies, managed by six 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.

Each of our strategies 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.

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. Our clients include pension and profit sharing plans, trusts, endowments, foundations, charitable organizations, government entities, private funds and non-U.S. pooled investment vehicles that are generally comparable to U.S. mutual funds, as well as mutual funds, non-U.S. funds and collective trusts we sub-advise. We serve as the investment adviser to Artisan Funds, a family of mutual funds registered with the Securities and Exchange Commission, or the SEC, 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 Global Funds, a family of Ireland-based UCITS funds that offers shares to non-U.S. investors.

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.

Artisan Partners Asset Management is a holding company that was incorporated in Wisconsin on March 21, 2011 and converted to a Delaware corporation on October 29, 2012. Our assets principally consist of our ownership of partnership units of Artisan Partners Holdings, deferred tax assets and cash. We conduct all of our business activities through operating subsidiaries of Artisan Partners Holdings. 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. 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 trading day of the New York Stock Exchange, or NYSE, of each month. Information contained on our websites is not part of this prospectus.

Table of Contents

RISK FACTORS

Holders exchanging LP units for shares of our Class A common stock or exchanging their preferred units of Artisan Partners Holdings for shares of our convertible preferred stock and subsequently converting such shares into shares of our Class A common stock should carefully consider each of the risks described in the section entitled Risk Factors in our Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 26, 2014, as such factors may be updated from time to time in our periodic filings with the SEC, which are accessible on the SEC s website at www.sec.gov, and all of the other information included or incorporated by reference in this prospectus.

Table of Contents

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains or incorporates by reference, 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 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 our most recent Annual Report on Form 10-K for the fiscal year ended December 31, 2013, filed with the SEC on February 26, 2014, as such factors may be updated from time to time in our periodic filings with the SEC, as well as the other information contained or incorporated by reference in this prospectus or in any prospectus supplement hereto. 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.

Table of Contents

USE OF PROCEEDS

We will not receive any cash proceeds from the issuance of any of the shares registered hereunder, but we will receive a number of general partnership units, or GP units, of Artisan Partners Holdings LP, equal to the number of shares of Class A common stock issued upon exchange of LP units or conversion of shares of convertible preferred stock. Upon the exchange of preferred units of Artisan Partners Holdings LP for shares of convertible preferred stock, we will retain any preferred units so exchanged until the subsequent conversion of such shares of convertible preferred stock into shares of our Class A common stock. At the time of the subsequent conversion, we will exchange a number of preferred units we hold for GP units equal to the number of shares of our Class A common stock issued upon conversion.

Table of Contents

EXCHANGE OF LIMITED PARTNERSHIP UNITS OF ARTISAN PARTNERS HOLDINGS AND CONVERSION OF OUR CONVERTIBLE PREFERRED STOCK

In March 2013, we completed our IPO and a series of reorganization transactions, which we refer to as the IPO Reorganization, in order to reorganize our capital structures in preparation for our 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 reorganization. Among other changes, the IPO Reorganization modified our capital structure into three classes of common stock and a class of convertible preferred stock. For a description of these shares, see Description of Capital Stock . Each outstanding share of common stock and convertible preferred stock at the public company level corresponds to a partnership unit at the Artisan Partners Holdings level.

In connection with our IPO Reorganization, we entered into an exchange agreement with the holders of LP units. The exchange agreement generally provides that the holders of LP units are permitted to exchange such units (together with a share of our Class B or Class C common stock, as applicable) in a number of circumstances that are generally based on, but in several respects are not identical to, the safe harbors contained in the U.S. Treasury Regulations dealing with publicly traded partnerships for U.S. federal income tax purposes. Pursuant to our restated certificate of incorporation, shares of our convertible preferred stock are convertible at the election of the holder into shares of our Class A common stock. These rights permit the holders of LP units and the holders of convertible preferred stock to exchange or convert their securities for which there is no public trading market for shares of publicly-traded Class A common stock.

The following description of the exchange of LP units and the conversion of shares of our convertible preferred stock is a summary and is qualified in its entirety by reference to the exchange agreement and our restated certificate of incorporation, which have been filed as exhibits to the registration statement of which this prospectus forms a part. See Incorporation by Reference and Where You Can Find More Information.

In accordance with the terms of the exchange agreement, LP units may be exchanged (i) in connection with the first underwritten offering in any calendar year, if any, pursuant to a resale and registration rights agreement, as amended, we entered into with the holders of LP units and the holders of our convertible preferred stock, (ii) on a specified date each fiscal quarter, (iii) in connection with such holder s death, disability or mental incompetence, (iv) as part of one or more exchanges by such holder and any related persons (within the meaning of Section 267(b) or 707(b)(1) of the Internal Revenue Code of 1986, as amended, or the Internal Revenue Code, and treating H&F Brewer AIV, L.P. and H&F Capital Associates V, L.P., or H&F Capital Associates, as related persons for this purpose) during any 30 calendar day period representing in the aggregate more than 2% of all outstanding partnership units of Artisan Partners Holdings (disregarding partnership units held by us so long as we are the general partner of Artisan Partners Holdings and owned at least 10% of all outstanding partnership units at any point during the taxable year during which such exchanges occur), (v) if the exchange is of all of the LP units held by H&F Brewer AIV, L.P. and H&F Capital Associates or AIC in a single transaction, (vi) in connection with a tender offer, share exchange offer, issuer bid, take-over bid, recapitalization or similar transaction with respect to our Class A common stock that is effected with the consent of our board of directors or in connection with certain mergers, consolidations or other business combinations (such exchanges to be contingent upon the consummation of the transaction) or (vii) if we permit the exchanges after determining (after consultation with our outside legal counsel and tax advisor) that Artisan Partners Holdings would not be treated as a publicly traded partnership under Section 7704 of the Internal Revenue Code as a result of such exchanges.

A holder may not exchange LP units if we determine, after consultation with legal counsel, that such exchange would be prohibited by law or regulation or such exchange would not be permitted under any of the agreements with us to which the holder is then subject. In addition, we may impose additional restrictions on

Table of Contents

exchange in certain circumstances that we reasonably determine to be necessary or advisable so that Artisan Partners Holdings is not treated as a publicly traded partnership under Section 7704 of the Internal Revenue Code (other than the circumstances described in clauses (ii), (iv) or (v) of the paragraph above in the absence of a change of law). We also may waive restrictions on exchange in the exchange agreement.

Common Units

Subject to certain restrictions set forth in the exchange agreement (including those described above intended to ensure that Artisan Partners Holdings is not treated as a publicly traded partnership), each common unit held by a limited partner of Artisan Partners Holdings is exchangeable for one share of our Class A common stock. Each time the holder of a common unit exchanges a unit for a share of our Class A common stock, we will automatically cancel a share of our Class B common stock or Class C common stock held by the exchanging holder. Employee-partners who exchange Class B common units that are unvested will receive restricted shares of our Class A common stock that are subject to the same vesting requirements that applied to the common units exchanged.

Preferred Units and Convertible Preferred Stock

Subject to certain restrictions set forth in the exchange agreement (including those described above intended to ensure that Artisan Partners Holdings is not treated as a publicly traded partnership), each preferred unit held by a limited partner of Artisan Partners Holdings is exchangeable for one share of our convertible preferred stock or our Class A common stock at the conversion rate, which is currently one-for-one but subject to adjustment to reflect the payment of any preferential distributions made to the holders of our convertible preferred stock, plus cash in lieu of fractional shares (after aggregating all shares of our Class A common stock that would otherwise be received by each holder). See Description of Capital Stock Preferred Stock Convertible Preferred Stock Convertible Preferred Stock Conversion Rate . Each time the holder of a preferred unit exchanges a unit for a share of our Class A common stock or convertible preferred stock, we will automatically cancel a share of our Class C common stock held by the exchanging holder. Shares of our convertible preferred stock are convertible at the election of the holder into shares of our Class A common stock at the same conversion rate.

When the holders of our convertible preferred stock are no longer entitled to preferential distributions, as described in Description of Capital Stock Preferred Stock Convertible Preferred Stock Preferential Distributions to Holders of Preferred Units and Convertible Preferred Stock , and any preferred distributions have been paid in full to such holders, all shares of convertible preferred stock will automatically convert into shares of our Class A common stock at the conversion rate plus cash in lieu of fractional shares (after aggregating all shares of our Class A common stock that would otherwise be received by such holder). Following the automatic conversion of our convertible preferred stock into Class A common stock, preferred units will be exchangeable only for Class A common stock at the conversion rate plus cash in lieu of fractional shares (after aggregating all shares of our Class A common stock that would otherwise be received by each holder).

Issuance of GP Units

In order to make a share of Class A common stock represent the same percentage economic interest in Artisan Partners Holdings as a common unit of Artisan Partners Holdings, disregarding corporate-level taxes and payments with respect to the tax receivable agreements we entered into in connection with our IPO, we will always hold a number of GP units equal to the number of shares of Class A common stock issued and outstanding. As the holders of common units and preferred units exchange their units for Class A common stock, we will receive a number of GP units of Artisan Partners Holding equal to the number of shares of our Class A common stock that they receive, and a number of common units or preferred units, and shares of our Class B or Class C common stock, as applicable, equal to the number of units so exchanged will be cancelled. We will retain any preferred units exchanged for shares of convertible preferred stock until the subsequent conversion of such shares into shares of our Class A common stock, although a number of shares of our Class C common stock

Table of Contents

equal to the number of units so exchanged will be cancelled. Upon conversion of shares of convertible preferred stock, we will exchange a number of preferred units we hold for GP units equal to the number of shares of our Class A common stock issued upon conversion.

As of March 31, 2014, there were 87 holders of LP units (including us) and one holder of shares of our convertible preferred stock. As of such date, we held 29,133,585 GP units and 455,011 preferred units of Artisan Partners Holdings, or 41% of the total outstanding partnership units of Artisan Partners Holdings. If all partnership units of Artisan Partners Holdings (other than those held by us) were exchanged for shares of our Class A common stock or convertible preferred stock, as applicable, and all shares of our convertible preferred stock were converted at a one-to-one conversion rate for shares of our Class A common stock, 71,525,819 shares of Class A common stock would be outstanding and we would hold 100% of the outstanding partnership units of Artisan Partners Holdings.

The holders of LP units who exchange their LP units and the holders of shares of convertible preferred stock who convert such shares, generally may not sell the shares of Class A common stock received upon exchange or conversion, as applicable, until after June 1, 2014, unless our board of directors and/or the underwriters of the 2014 Follow-On Offering grant a waiver. See Relationships and Related Party Transactions Transactions in connection with the IPO Reorganization Resale and Registration Rights Agreement .

Table of Contents

MATERIAL UNITED STATES FEDERAL TAX CONSIDERATIONS FOR UNITED STATES HOLDERS

This section summarizes the material United States federal income tax consequences to United States holders (as defined below) of LP units that exchange units for shares of Class A common stock or convertible preferred stock, as applicable, and to United States holders of shares of convertible preferred stock that convert shares of convertible preferred stock into shares of Class A common stock. This section does not otherwise discuss any United States federal income tax consequences to United States holders of convertible preferred stock of receiving distributions on convertible preferred stock or of disposing of convertible preferred stock. It applies to you only if you hold your LP units or convertible preferred stock as capital assets for tax purposes and only if you acquired and hold shares of Class A common stock as capital assets for tax purposes. This section does not apply to you if you are a member of a class of holders subject to special rules, such as:

- a dealer in securities,
- a trader in securities that elects to use a mark-to-market method of accounting for your securities holdings,
- a bank,
- a life insurance company,
- a tax-exempt organization,
- a person that owns LP units, convertible preferred stock or shares of Class A common stock as part of a hedging transaction, straddle, conversion transaction or other risk reduction transaction for tax purposes,
- a person that purchased convertible preferred stock or sells shares of Class A common stock as part of a wash sale for tax purposes,
- a person subject to the alternative minimum tax, or
- a United States holder whose functional currency for tax purposes is not the U.S. dollar.

This section is based on the Internal Revenue Code, its legislative history, existing and proposed regulations under the Internal Revenue Code, or the Treasury Regulations, published rulings and court decisions, all as currently in effect. These laws, rules and interpretations are subject to change, possibly on a retroactive basis.

If a partnership holds LP units, convertible preferred stock or Class A common stock, the United States federal income tax treatment of a partner therein will generally depend on the status of the partner and the tax treatment of the partnership. A partner in a partnership holding the LP units, convertible preferred stock or Class A common stock should consult its tax advisor with regard to the United States federal income tax treatment of the exchange of the LP units or conversion of convertible preferred stock and of holding and disposing of shares of Class A common stock received in the exchange or conversion.

You should consult a tax adviser regarding the United States federal tax consequences of exchanging your LP units or converting your shares of convertible preferred stock and of holding and disposing of shares of Class A common stock in your particular circumstances, as well as any tax

consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

This section describes the tax consequences to a United States holder. You are a United States holder if you are a beneficial owner of LP units, convertible preferred stock or Class A common stock and you are:

a citizen or resident of the United States,

a domestic corporation,

Table of Contents

an estate whose income is subject to United States federal income tax regardless of its source, or

a trust if a United States court can exercise primary supervision over the trust s administration and one or more United States persons are authorized to control all substantial decisions of the trust.

If you are not a United States holder, we encourage you to consult your own tax advisor regarding the United States federal tax consequences of exchanging LP units or converting convertible preferred stock and of holding and disposing of Class A common stock in your particular circumstances, as well as any tax consequences that may arise under the laws of any state, local or foreign taxing jurisdiction.

Tax Consequences of Exchanging LP Units for Shares of Class A Common Stock or Convertible Preferred Stock

For United States federal income tax purposes, the exchange of LP units for shares of Class A common stock or convertible preferred stock will be a taxable event. Under the tax receivable agreement, or the TRA, among Artisan Partners Asset Management and each holder of LP units, an exchanging partner will likely be entitled, in taxable years subsequent to the year of the exchange, to contingent payments, or TRA Payments, resulting from the exchange. Therefore, any gain an exchanging partner is treated as realizing upon its exchange will, subject to the discussion of Section 751 of the Internal Revenue Code and imputed interest below, likely be treated as realized in an installment sale and thus subject to the installment sale rules of Section 453 of the Internal Revenue Code, unless the exchanging partner elects out of installment sale treatment.

The tax consequences to an exchanging partner are complex. If you are an exchanging partner, we strongly encourage you to consult your tax advisor regarding the tax consequences to you of an exchange and, in particular, whether or not to elect out of installment sale treatment.

Exchanging Partners that Elect Out of Installment Sale Treatment

This discussion applies to an exchanging partner that elects out of installment sale treatment. Generally, in order to make such election, you should report your exchange on your timely filed United States federal income tax return for the taxable year in which you made the exchange and you should not include IRS Form 6252 on which installment sales are otherwise reported. The election will apply only to the exchange to which it relates.

In general, the treatment of an exchanging partner s exchange and receipt of TRA Payments on account of the exchange will depend on whether, at the time of the exchange, the fair market value of the partner s entitlement to receive TRA Payments is reasonably ascertainable. If it is, then the exchange and the receipt of TRA Payments will be accounted for under the closed transaction method. Otherwise, the exchange and receipt of TRA Payments will be accounted for under the open transaction method. Applicable Treasury Regulations provide that the fair market value of an entitlement to receive contingent payments, such as the TRA Payments, will only be treated as not reasonably ascertainable in rare and extraordinary cases. We strongly encourage you to consult your tax advisor regarding whether the value of your entitlement to receive TRA Payments on account of your exchange will be reasonably ascertainable at the time of your exchange and the resulting tax consequences to you.

Closed Transaction Method. Under the closed transaction method, an exchanging partner will generally recognize gain or loss equal to the difference between the amount realized and the partner s basis in the LP units exchanged. The partner s amount realized will equal the sum of (i) the fair market value of the shares of Class A common stock or convertible preferred stock received, (ii) the reduction, if any, on account of the exchange of the liabilities of Artisan Partners Holdings that are allocated to such exchanging partner and (iii) the fair market value of the TRA Payments to which the partner will be entitled on account of the exchange. Determining an exchanging partner s basis in its LP units is discussed below under Exchanging Partner s Basis in LP Units . The characterization of any gain or loss taken into account by an exchanging partner under the rules described in this paragraph is discussed below under Characterization of an Exchanging Partner s Gain or Loss upon the Exchange .

Table of Contents

Under the closed transaction method, an exchanging partner s basis in its entitlement to receive TRA Payments should equal the fair market value of the entitlement at the time of the exchange. That basis is referred to herein as the TRA Payment Entitlement Basis. The portion of each TRA Payment received by the partner that is not characterized as interest (under the rules discussed below under Imputed Interest on Certain TRA Payments) should be treated as a non-taxable return of such exchanging partner s TRA Payment Entitlement Basis. To the extent the partner receives TRA Payments (other than amounts characterized as interest) in excess of the TRA Payment Entitlement Basis, the partner will likely recognize capital gain. The manner in which Section 751 of the Internal Revenue Code should be applied to the TRA Payments is not clear. We strongly encourage you to consult your tax advisor regarding the possible application of Section 751 to your receipt of TRA Payments under the closed transaction method. If the total amount of TRA Payments (other than amounts characterized as interest) received is less than the TRA Payment Entitlement Basis, the partner will likely recognize a loss equal to the difference. The loss would likely be characterized as a capital loss. The deductibility of capital losses is subject to limitations.

Open Transaction Method. Under the open transaction method, an exchanging partner will generally recognize gain or loss equal to the difference between the partner s amount realized and the partner s basis in the LP units exchanged. In this case, the amount realized is the same as the amount realized under the closed transaction method, except that the amount realized does not include the value of the partner s entitlement to receive TRA Payments. Determining an exchanging partner s basis in its LP units is discussed below under Exchanging Partner s Basis in LP Units . The characterization of any gain or loss taken into account by an exchanging partner under the rules described in this paragraph is discussed below under Characterization of an Exchanging Partner s Gain or Loss upon the Exchange .

Under the open transaction method, an exchanging partner should not have any basis in the entitlement to receive TRA Payments. As a result, the portion of each TRA Payment received by the partner that is not characterized as interest (under the rules discussed below under Imputed Interest on Certain TRA Payments) should be treated as an additional amount realized upon the exchange and generally accounted for in the same manner as discussed in the previous paragraph. The manner in which Section 751 of the Internal Revenue Code should be applied to TRA Payments accounted for under the open transaction method is not clear. We strongly encourage you to consult your tax advisor regarding the possible application of Section 751 to your receipt of TRA Payments under the open transaction method.

Exchanging Partners that Do Not Elect Out of Installment Sale Treatment

This discussion applies to an exchanging partner that does not elect out of installment sale treatment.

The TRA provides that the total TRA Payments (other than amounts accounted for as interest under the Internal Revenue Code) with respect to an exchange cannot exceed 50% of the sum of the cash (excluding TRA Payments) and the fair market value (as of the date of the exchange) of the shares of Class A common stock or convertible preferred stock received upon the exchange. Therefore, in general, an exchanging partner that is treated as realizing gain should be treated as having sold its LP units in a contingent payment sale with a stated maximum selling price. An exchanging partner will be treated as realizing gain if the stated maximum selling price exceeds the partner s basis in its LP units exchanged (in each case, without taking into account any liabilities allocable to the partner on account of its ownership of the LP units) (such maximum selling price, the contract price, and such excess, the gross profit), with such amounts subject to possible adjustment if Section 751 of the Internal Revenue Code were to apply to the exchange, as discussed below. An exchanging partner s basis in its LP units is determined as discussed under Exchanging Partner s Basis in LP Units below. Because the liabilities of Artisan Partners Holdings allocable to the exchanging partner on account of the partner s ownership of the LP units exchanged should generally constitute qualifying indebtedness for purposes of the installment sale rules, and assuming such liabilities do not exceed the partner s basis in the LP units exchanged, the partner will compute its gross profit ratio by dividing its gross profit by its contract price. For these purposes, qualifying indebtedness generally includes indebtedness that is incurred or assumed by us

Table of Contents

incident to our acquisition, holding, or operation in the ordinary course of our business or investment, of the LP units exchanged. Except with respect to portions of amounts realized that are treated as interest (under the rules discussed below under Imputed Interest on Certain TRA Payments), an exchanging partner that is treated as realizing gain upon exchange will be required to recognize as gain the product of the fair market value of each payment it receives as a result of the exchange (whether in the form of shares of Class A common stock or convertible preferred stock or TRA Payments) and its gross profit ratio. The characterization of any gain or loss taken into account by an exchanging partner upon receipt of Class A common stock or convertible preferred stock under the rules described in this paragraph is discussed below under Characterization of an Exchanging Partner s Gain or Loss upon the Exchange . If, as discussed therein, an exchanging partner were to have Section 751 Income (as defined below) upon the exchange, the partner would not be entitled to report that income using the installment sale method; in that case, the exchanging partner would, for purposes of applying the installment sale method, have to reduce its gross profit and contract price by its Section 751 Income. The characterization of any gain taken into account by an exchanging partner upon receipt of TRA Payments under the rules described in this paragraph is discussed below under Characterization of an Exchanging Partner s Gain or Loss upon the Exchange , except that Section 751 of the Internal Revenue Code should not apply.

If the total amount of TRA Payments (other than amounts characterized as interest) that an exchanging partner receives is less than the partner s stated maximum selling price (other than as a result of a discharge of our obligations under the TRA in bankruptcy), the exchanging partner will likely recognize a loss equal the unrecovered portion of its basis in the LP units exchanged. The loss would likely be characterized as a capital loss. The deductibility of capital losses is subject to limitations.

Special rules under the Internal Revenue Code apply to an installment obligation that arises from the disposition of property under the installment method, if the sales price of the property exceeds $150,000, but only if the obligation is outstanding as of the close of the relevant taxable year and the face amount of all such obligations held by the taxpayer which arose during, and are outstanding as of the close of, the relevant taxable year exceeds $5,000,000. If these rules apply to a taxpayer, its tax liability for such taxable year is increased by an interest charge calculated by reference to its deferred tax liability resulting from its use of the installment method with respect to such obligations. It is not clear how these special rules are to be applied to installment obligations arising in a contingent payment sale with a stated maximum selling price. We strongly encourage you to consult your tax adviser regarding the tax consequences, if any, to you of the application of these special rules to you.

You are required to file IRS Form 6252 to report your income using the installment method.

Exchanging Partner s Basis in LP Units

Your basis in the LP units received in exchange for a contribution of property, if any, to Artisan Partners Holdings was initially equal to the basis in any property you contributed in exchange for such LP units and your initial share in Artisan Partners Holdings liabilities. Generally, your basis was increased by (i) your share of the taxable and tax-exempt income of Artisan Partners Holdings and (ii) increases in your share of the liabilities of Artisan Partners Holdings. Generally, your basis was decreased by (i) your share of distributions from Artisan Partners Holdings, (ii) decreases in your share of liabilities of Artisan Partners Holdings, (iii) your share of losses of Artisan Partners Holdings and (iv) your share of nondeductible expenditures of the operating partnership that are not chargeable to capital. However, your basis could not decrease below zero.

If you exchange less than your entire interest in Artisan Partners Holdings, you will be required to allocate a portion of your basis to the LP units you exchange. Such allocation should generally be made based on the relative fair market value of the LP units exchanged and your remaining interest in Artisan Partners Holdings at the time of your exchange. We encourage you to consult your tax adviser regarding how to allocate your basis in your interest in Artisan Partners Holdings to the LP units you exchange.

Table of Contents

Characterization of an Exchanging Partner s Gain or Loss upon the Exchange

Subject to the discussion of Section 751 of the Internal Revenue Code below, any gain recognized by an exchanging partner upon exchange will be treated as capital gain. Any loss recognized will be treated as a capital loss. Capital gain of non-corporate taxpayers derived with respect to capital assets held for more than one year is generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

To the extent that the amount realized upon the exchange attributable to an exchanging partner s share of unrealized receivables of Artisan Partners Holdings, as defined in Section 751 of the Internal Revenue Code, exceeds Artisan Partners Holdings basis in such receivables, such excess (the Section 751 Income) will be treated as ordinary income. Unrealized receivables include, to the extent not previously included in Artisan Partners Holdings income, any rights to payment for services rendered or to be rendered. Because Artisan Partners Holdings derives substantially all of its revenues from investment advisory and sub-advisory agreements, all of which are terminable by clients upon short notice or no notice, Artisan Partners Holdings does not believe that a significant amount of its value is attributable to this type of unrealized receivables as of the date hereof. Unrealized receivables also include amounts that would be subject to recapture as ordinary income if Artisan Partners Holdings were to have sold its assets at their fair market value at the time of the exchange, including gain in respect of intangible assets that had previously been amortized. We encourage you to consult your tax advisor regarding the characterization of any gain you recognize upon your exchange of LP units for shares of Class A common stock or convertible preferred stock.

Imputed Interest on Certain TRA Payments

With respect to any TRA Payment received by an exchanging partner more than six months after the date of the applicable exchange, the partner will be required to treat a portion of the payment as interest. The portion treatable as interest will equal the excess of the payment over the present value of the payment as of the date of the exchange, determined by discounting the payment at the applicable federal rate, which the IRS publishes in the Internal Revenue Bulletin for each month. An exchanging partner will be required to use its regular methods of tax account to account for any portion of any TRA Payment that is treated as interest.

Tax Consequences of Converting Convertible Preferred Stock into Shares of Class A Common Stock

For United States federal income tax purposes, the conversion of convertible preferred stock into shares of Class A common stock and cash in lieu of a fractional share, if any, should be treated as a recapitalization. As a result, you should be treated as receiving shares of Class A common stock, including a fractional share, if any, for your convertible preferred stock and then surrendering your fractional share of Class A common stock, if any, for cash. With respect to whole shares of Class A common stock which you receive upon conversion of your convertible preferred stock, you should not recognize any gain or loss upon such conversion, you should have a basis in the shares of Class A common stock equal to your basis in the convertible preferred stock surrendered, and your holding period in the shares of Class A common stock should include your holding period in the convertible preferred stock surrendered. Your basis in the convertible preferred stock surrendered should generally be equal to the fair market value of the convertible preferred stock at the time you received it.

With respect to the cash you are treated as receiving for a fractional share, if any, which you are treated as having received for convertible preferred stock, you should generally recognize gain or loss equal to the difference between the tax basis which you are treated as having in such fractional share and the amount of cash received. The tax basis which you should be treated as having in such fractional share should be equal to your basis in the convertible preferred stock which you are treated as having surrendered therefor.

The gain or loss will generally be capital gain or loss and will be long-term capital gain or loss if your holding period for the shares exceeds one year. Long-term capital gain recognized by a non-corporate United States holder is generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to

Table of Contents

limitations. However, if the deemed redemption of your fractional share is neither (i) not essentially equivalent to a dividend, (ii) substantially disproportionate with respect to you, (iii) in complete redemption of your interest in the our stock, nor, (iv) in the case of non-corporate United States holders, in partial liquidation of Artisan Partners Asset Management, each of the foregoing within the meaning of Section 302(b) of the Internal Revenue Code, the cash you receive in the deemed redemption of your fractional share will be treated as a dividend to the extent of our current or accumulated earnings and profits. You should consult your own tax advisor regarding the characterization of the deemed redemption of your fractional share for cash for tax purposes.

If you are a significant holder of Artisan Partners Asset Management, as defined in Section 1.368-3(c)(1) of the Treasury Regulations, you may be required to file the statement described in Section 1.368-3(b) of the Treasury Regulations with the IRS.

Tax Consequences of Owning and Disposing of Shares of Class A Common Stock

Distributions

In general, if distributions are made with respect to shares of Class A common stock, the distributions will be treated as dividends to the extent of our current and accumulated earnings and profits, as determined for United States federal income tax purposes. Any portion of a distribution in excess of our current and accumulated earnings and profits will be treated first as a nontaxable return of capital reducing your tax basis in the shares of Class A common stock, and thereafter as capital gain, the tax treatment of which is discussed below under Sale or Redemptions . For purposes of the remainder of the discussion in this subsection, it is assumed that dividends paid on shares of Class A common stock will constitute dividends for United States federal income tax purposes.

If you are a corporation, dividends that you receive on shares of Class A common stock will generally entitle you to a 70% dividends-received deduction provided certain holding period and other requirements are met. If you are an individual, dividends that you receive on shares of Class A common stock will generally be subject to tax at the preferential rates applicable to long-term capital gains provided certain holding period and other requirements are met. You should consult your own tax advisor regarding whether these rules apply to you.

Sale or Redemptions

A sale, exchange or other disposition of shares of Class A common stock will generally result in gain or loss equal to the difference between the amount realized upon the disposition and your adjusted tax basis in the shares. If you acquired the shares of Class A common stock by exchanging your LP units therefor, your adjusted tax basis in the shares should equal the fair market value of the shares at the time you acquired them and your holding period for the shares should begin on the day after you acquired them. If you acquired the shares of Class A common stock upon conversion of your convertible preferred stock therefor, the determination of your adjusted tax basis in the shares and your holding period with respect to the shares is described above under Tax Consequences of Converting Convertible Preferred Stock into Shares of Class A Common Stock . In each case, your tax basis in your shares of Class A common stock may be subject to reduction as described above under Distributions . Gain or loss will be capital gain or loss and will be long-term capital gain or loss if your holding period for the shares exceeds one year. Long-term capital gain recognized by a non-corporate United States holder is generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

A redemption of your shares of Class A common stock for cash will be treated as a sale or exchange, taxable as described in the preceding paragraph, if, as is most likely, the redemption is (i) not essentially equivalent to a dividend, (ii) substantially disproportionate with respect to you, (iii) in complete redemption of your interest in our stock, or, (iv) in the case of non-corporate United States holders, in partial liquidation of Artisan

Table of Contents

Partners Asset Management, each of the foregoing within the meaning of Section 302(b) of the Internal Revenue Code. If none of the above standards is satisfied, then a payment in redemption of your shares of Class A common stock will be treated as a distribution subject to the tax treatment described above under Distributions .

We strongly encourage you to consult your own tax advisor regarding the characterization of a redemption payment under the rules described in this subsection and the consequences of such characterization to you.

Medicare Tax