



## **ARTISAN PARTNERS UK LLP**

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**February 5, 2013**

**This brochure provides information about the qualifications and business practices of Artisan Partners UK LLP. If you have any questions about the contents of this brochure, please contact us at 44-20-7766-7110. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the "SEC") or by any state securities authority.**

**Additional information about Artisan Partners UK LLP also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Please note that registration as an investment adviser with the SEC does not imply any certain level of skill, training or ability with respect to the provision of investment advisory services.**

**SUMMARY OF CHANGES**

This brochure was updated on February 5, 2013, providing information that is different from or supplemental to information we provided to our clients and potential clients in our previous brochure dated March 29 2012.

The brochure reflects the January 2013 departure of a Global Equity portfolio manager and a member of Artisan Partners UK LLP's Governing Body. It also reflects the January 2013 termination of the Subadvisory Agreement between Artisan Partners UK LLP and its affiliate Artisan Partners Limited Partnership.

The brochure has been updated to provide information regarding all of the Artisan investment strategies and provides updates to the personnel and titles of affiliated Artisan entities.

Additionally, the brochure has been updated to remove a description of an Artisan affiliate's litigation matter that has been resolved and dismissed.

There have been no changes to the Directors of Artisan Partners UK LLP.

We encourage you to read the entire brochure.

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## **Advisory Business**

Artisan Partners UK LLP (identified as “Artisan UK” in this brochure) is a limited liability partnership organized under the laws of England and Wales. The business of Artisan UK is controlled by its founding member, Artisan Partners Limited, a private limited company organized under the laws of England and Wales. Artisan UK provides investment advisory services to pension and profit sharing plans, trusts, endowments, foundations, charitable organizations, governmental entities and investment companies and similar pooled investment vehicles pursuant to contractual arrangements with Artisan Partners Limited Partnership (“APLP”, and together with Artisan UK, “Artisan”). Like Artisan UK, APLP is an investment adviser registered with the United States Securities and Exchange Commission. To the extent it is permitted under the terms of contracts with institutional clients, Artisan UK delegates investment management authority to its advisory affiliate, Artisan Partners Limited Partnership; however, Artisan UK remains legally responsible for general oversight of all delegated investment advisory services. There are no fees charged by Artisan UK regarding delegation of investment advisory services that are in addition to advisory fees for the applicable investment mandate. Artisan UK is also registered with the United Kingdom Financial Services Authority (the “FSA”) and authorized by the FSA to carry on certain regulated activities in the U.K. The Governing Body of Artisan UK, which is appointed by Artisan Partners Limited, is responsible for corporate governance and risk management at Artisan UK, taking into account its duties to clients and the regulatory requirements to which Artisan UK is subject.

Artisan Partners Limited is wholly owned by Artisan Partners Holdings LP. APLP is also wholly owned, directly and indirectly, by Artisan Partners Holdings LP. Artisan Partners Holdings LP is a limited partnership organized under the laws of Delaware whose sole general partner is Artisan Investment Corporation, a Wisconsin corporation controlled by Andrew and Carlene Ziegler. Artisan’s senior professionals, along with other investors who do not participate in day-to-day management of the business, own limited partner interests in Artisan Partners Holdings LP. Artisan UK commenced operations in January 2010. Additional information about the firm’s executive personnel is included later in this section of the brochure under the sub-heading “Executive Personnel.”

Artisan generally does not tailor its investment management services to the individual needs of clients. Generally, client portfolios are managed to a single model, consistent with the model portfolio’s characteristics. However, a client may, with Artisan’s consent, impose limited restrictions on investment in certain securities or types of securities in its account. For more information, see the sub-section below entitled “Managing Divergent Investment Restrictions and Cash in Client Accounts.”

Artisan accepts responsibility for management of a client account only on a discretionary basis and requires that each client enter into a written agreement with

Artisan UK or APLP granting discretionary authority, including the authority in agreements with Artisan UK, for Artisan UK to delegate management discretion to APLP

***Managing Divergent Investment Restrictions and Cash in Client Accounts***

Artisan's managed portfolios generally are managed to a single model. A client's portfolio may diverge from an Artisan model portfolio because of cash flows or divergent investment restrictions, among other reasons. Cash flows may result in more or less cash in a client's account than in an Artisan model portfolio, and in weightings of portfolio securities that are not aligned with a model. Client-imposed investment restrictions generally result in weightings of portfolio securities that are not aligned with an Artisan model, and in some cases more cash than is held in the model account. Artisan typically rebalances a client's account to the model account periodically, deploying cash across all or a portion of the holdings in a client's portfolio (subject to minimum transaction sizes). As a result, a client whose investment restrictions prohibit holding a particular security or limit the weighting of a particular security or group of securities will generally have larger weightings in some or all of the other securities that are held. The rebalancing of accounts may result in multiple transactions in the same security, including opposite-way transactions, in a short period of time. Artisan believes the benefits of this approach to the management of divergent positions that permits accounts to remain more consistently invested generally outweigh the potential costs of those transactions.

Client-imposed investment restrictions sometimes affect the timing or manner of purchase or sale of a security. So, for example, if a client account cannot participate in an initial public offering of a security that will be held in a model portfolio, Artisan will generally purchase that security for the account in the open market after completion of the offering.

Divergence from an Artisan model portfolio, as a result of client-imposed investment restrictions, cash flows or other reasons, will result in differences between the return achieved in the client's account and Artisan's composite return. To prevent the potentially negative impact that the investment restrictions of one client account or multiple client accounts may have on the manner in which Artisan invests on behalf of all its client accounts, Artisan generally does not accept accounts subject to investment restrictions that Artisan believes would adversely affect Artisan's ability to manage client accounts.

Management of cash balances in a client's account is determined at the beginning of the relationship. Generally, cash is invested in one or more investment alternatives provided by the custodian of the client's account, as selected by the client.

***Other Investment Related Information***

**Professional Qualifications**

All investment decisions for client accounts are made by the portfolio managers, working with a team of investment analysts dedicated to the particular strategy. Artisan generally employs persons to provide investment advice to clients only if those persons have demonstrated ability by previous employment in the investment advisory industry or securities industry, have related financial and professional experience or have advanced educational degrees in finance, economics or related fields. The professional qualifications of each of Artisan's portfolio managers are set forth in brochure supplements provided to Artisan's clients or potential clients.

**Portfolio Turnover**

Artisan generally purchases securities with a view to long-term investment, but there are no limitations on the length of time securities must be held. The firm may sell securities within a short period of time after purchase, for example, in light of a change in the circumstances of a particular company or industry or in general market or economic conditions. A higher rate of portfolio turnover, if it occurs, results in increased transaction expenses and the realization of capital gains or losses that, in a taxable account, may reduce performance.

**Investment Guidelines and Restrictions**

Compliance with certain investment guidelines described above is measured at the time of purchase or at the time of initiation of a position in the strategy. Because of this, a newly-funded account may exceed those limits if market movements have caused an Artisan model account to be above those limits at the time the new account is funded. Similarly, cash inflows to existing accounts are generally invested to maintain the relative weightings of the securities held in the portfolio, even if market movements have caused the account to be above certain limits at the time of the cash inflow. As an example, Artisan may limit exposure to securities within an individual industry to a maximum of 25% of the assets of a portfolio, measured at market value at the time of purchase. However, if at the time of a cash inflow, positions in an industry in an Artisan model account comprise more than 25% of the portfolio's assets in the aggregate due to market movement, the portfolio may purchase additional securities of the issuers in that industry to invest the cash inflow and maintain the weightings of the positions in that industry consistent with the model portfolio.

For purposes of testing compliance with a strategy's investment restrictions, Artisan generally considers an issuer to be from a particular country as designated by its securities information vendors. However, Artisan, in its own judgment, may consider an issuer to be from a country other than the country designated by the securities information vendors. As of the date of this brochure, Artisan uses as its primary source the country assignments used by MSCI, Inc. ("MSCI") in the creation of the MSCI

indexes and FactSet Research Systems, Inc. (“FactSet”) as a secondary source for this information. The primary information vendor’s criteria currently include the identity of the jurisdiction of the issuer’s incorporation, the main equity trading market for the issuer’s securities, the geographical distribution of the issuer’s operations and the location of the issuer’s headquarters. Artisan may also consider other criteria such as the source of a company’s revenues. Because those characteristics may not point to the same country, a company may be classified as a U.S. company even though it is organized or has substantial business operations outside the U.S., or alternatively may be classified as non-U.S. even if it is organized, trades or has substantial business operations in the U.S. Over time, country designations may change.

Also for the purpose of testing compliance with the strategy’s investment restrictions, Artisan assigns portfolio securities to a particular sector and industry in accordance with the sector and industry classifications of the Global Industry Classification Standard (GICS<sup>®</sup>) developed by MSCI and Standard and Poor’s. In the event Artisan’s securities information vendor does not classify a security to a particular sector or industry or if the published classification appears to be clearly erroneous, Artisan classifies the security according to its own judgment, using other securities information vendors, the company description and other publicly available information about the company and its peer group. Sector and industry classifications may change over time.

### **Currency Transactions**

Artisan buys and sells currencies to facilitate purchases and sales of portfolio securities of companies that are denominated in a currency other than a client’s base currency. Artisan’s primary objective in effecting currency transactions is to obtain the best combination of net price and execution under the circumstances. To facilitate purchases and sales of portfolio securities that trade in currencies other than a client’s base currency, Artisan typically executes foreign exchange contracts in the spot market through either active market trading with the capital markets (foreign exchange) desk affiliated with the client’s custodial bank or by transacting with various third party foreign exchange dealers. Unless directed to do so by the client, or effectively required by local regulation or custom, in most markets Artisan does not send foreign exchange transactions in connection with equity trades to the custodian for future execution without negotiating the rates associated with those trades. Artisan reviews market rates at the time of each execution and actively negotiates the rate with the foreign exchange dealer.

For corporate actions such as mergers and offerings of rights and warrants, as well as cash dividends and interest income denominated in a currency other than a client’s base currency, Artisan typically executes foreign exchange contracts in the spot market through active negotiations as discussed above.

There are, however, a few markets in which foreign currency cannot be purchased or sold through active trading with a foreign exchange dealer, but rather must be sent

directly to the custodian or sub-custodian for future execution in the local market (current examples of such markets are India and Taiwan).

Evaluations of the services provided by dealers, including the reasonableness of rates received, are made on an ongoing basis by Artisan, taking into consideration a variety of factors, including for example trade size, counterparty/settlement risk and operational risk. Transacting with third-party dealers may cause an account to incur additional fees, such as wire fees for each currency transaction, that are not charged if the foreign exchange contract is transacted through the custodian bank. Additionally, there may be operational advantages to using the custodian bank, such as contractual settlement and systematic communication between the custodian bank's currency trading operations and its equity settlements operations. In those markets where Artisan must purchase or sell currencies through a client's custodian or sub-custodian for execution in the local market, Artisan periodically reviews the rates received for reasonableness.

With respect to each foreign exchange transaction, a client may not receive the same price received by other clients within the same investment strategy or the price that could have been received if the transaction had been executed with a different counterparty. Artisan seeks to cooperate with individual client requests with respect to the use of third party foreign exchange dealers. However, active negotiation of rates and/or transactions executed with counterparties other than the capital markets (foreign exchange) desk affiliated with the client's custodian (or affiliate of the custodian) or sub-custodian may not be possible due to market limitations or limitations of the custodian or, where possible, may be less beneficial to a client due to the costs associated with such transactions or the potential for increased settlement, operational or other counterparty risks described above.

### **Significant Shareholder Reporting**

Artisan's clients may from time to time have a position in the securities of a portfolio company that is large enough to require reporting to the issuer or regulators, or both, under applicable authorities. Those reports are often publicly available and may require disclosure of the client's identity and its securities position.

### **Communications with Portfolio Company Management**

Artisan generally does not invest in companies in which Artisan believes taking an activist role will be necessary to achieve our desired investment results. As a result, Artisan typically does not take what Artisan would consider to be an activist role in prompting a company to make changes in its operations or otherwise. However, Artisan's investment professionals do frequently communicate with management at companies in which Artisan invests client assets, which may include discussions of ideas about the companies' prospects or strategies. Artisan may also communicate with a company's board of directors or members of a company's advisory board. In some circumstances, Artisan might actively participate in a shareholder meeting (including submitting an item for inclusion on the agenda of a meeting) or otherwise act in a public



manner to communicate the views of Artisan's investment professionals about a particular company's business strategy.

### **Class Actions**

Artisan tries to identify legal actions as a result of which a client may have a claim in connection with a portfolio security held or previously held by the client in an Artisan-managed account. Artisan will provide any information in its possession that a client reasonably requests to assist the client, its custodian, its primary adviser (in the case of clients for which Artisan is sub-adviser), administrator or other service providers in submitting a claim. Unless otherwise specifically agreed with a client, Artisan UK does not file claims for clients, and APLP does not file claims for clients other than Artisan Partners Funds, Inc. ("Artisan Funds") and Artisan Partners Global Funds plc ("Artisan Global Funds"), to which Artisan UK also serves as distributor. Artisan does not decide on behalf of a client, or recommend any decision to a client, as to whether a client should submit a claim or opt out of a settlement. Artisan does not generally act (for itself or on behalf of clients) as lead plaintiff because Artisan believes that the time commitment that could be required from members of the investment team could have an adverse effect on the team's ability to manage client portfolios.

### **Issuer Relationships**

Unless otherwise prohibited by a client, Artisan does not restrict the ability of a client account to invest in a security solely because the security is issued by a company, or an affiliate of a company, that is also a client of or has a business relationship with Artisan or its affiliates, or because a director or officer of the issuing company or an affiliate of the issuing company is a client or has another business relationship with Artisan or its affiliates. For example, the portfolio of Client A may hold securities issued by Client B, or issued by a company a director and/or officer of which is also a director of Artisan Funds. Moreover, a client's portfolio may hold securities of an issuer in which a partner of Artisan Partners Holdings LP has an interest. The personal transactions in securities of Artisan's personnel are governed by a comprehensive code of ethics, discussed in more detail under the section of this brochure entitled "Code of Ethics, Participation or Interest in Client Transactions and Personal Trading." The interests of partners of Artisan Partners Holdings LP who are not actively involved in Artisan's business in companies in which client accounts may invest may be significant or controlling interests. However, those persons have no involvement or participation in Artisan's investment decisions on behalf of clients.

***Executive Personnel***

Artisan UK has no executive officers. However, the directors of its founding member, Artisan Partners Limited, are Sarah A. Johnson, Gregory K. Ramirez and Karen L. Guy. Additional information regarding each director of Artisan Partners Limited is set forth below. Artisan UK also has a Governing Body, which includes senior personnel of Artisan UK, as further described below.

Artisan Partners Limited is wholly owned by Artisan Partners Holdings LP. Artisan Partners Holdings LP itself has no executive officers; its day to day affairs are conducted by its general partner, Artisan Investment Corporation (“AIC”). The principal executives of AIC are: Eric R. Colson, Executive Vice President – Artisan Chief Executive Officer; Charles J. Daley, Jr., Senior Vice President - Chief Financial Officer and Treasurer; Sarah A. Johnson, Senior Vice President and Assistant Secretary; Janet D. Olsen, Senior Vice President and Secretary; Gregory K. Ramirez, Senior Vice President – Chief Accounting Officer and Assistant Treasurer; and Andrew A. Ziegler, President. Each listed officer of AIC is a Managing Director of APLP and is an officer of Artisan Investments GP LLC (“AIGP”), the general partner of APLP, as further set forth below.

In addition to its ownership of Artisan Partners Limited, Artisan Partners Holdings LP also owns 100% of Artisan Partners Distributors LLC (“Artisan Distributors”), a registered, limited purpose broker-dealer, which serves as distributor of the securities of Artisan Funds. Mr. Dean Patenaude is the Chairman and President and a supervisory principal of Artisan Distributors. Mr. Ramirez is a Vice President and financial principal of Artisan Distributors, and its Treasurer and Chief Financial Officer. Ms. Olsen is a Vice President and Assistant Secretary of Artisan Distributors. Ms. Johnson is a Vice President and Secretary of Artisan Distributors. Mr. Michael C. Roos is a Vice President of Artisan Distributors. Ms. Michelle Klein is Assistant Treasurer of Artisan Distributors.

APLP serves as investment adviser to each mutual fund series of Artisan Funds, an open-end diversified management investment company. Mr. Ziegler serves as a Director of Artisan Funds, while Mr. Colson is the President and Chief Executive Officer of Artisan Funds. The directors of Artisan Partners Limited also serve as officers of Artisan Funds as set forth below. Artisan Funds participates in investment opportunities on the same terms as all other Artisan clients.

APLP also serves as investment adviser and promoter to Artisan Global Funds, an open-ended investment company registered with the Central Bank of Ireland pursuant to the European UCITS Directive. Mr. Ramirez serves as a Director of Artisan Global Funds. Artisan Global Funds participates in investment opportunities on the same terms as all other Artisan clients.

More information about the directors of Artisan Partners Limited is as follows:

**Sarah A. Johnson** is a Director of Artisan Partners Limited and Artisan UK's U.S. Chief Compliance Officer; a Vice President of AIGP; a Managing Director, General Counsel and Chief Compliance Officer of APLP and General Counsel, Vice President and Secretary of Artisan Funds. Prior to joining Artisan in July 2002, Ms. Johnson practiced law with the law firm of Bell, Boyd & Lloyd LLP (now K&L Gates LLP). Ms. Johnson holds a B.A. from Northwestern University and a J.D. from Northwestern University School of Law.

**Karen L. Guy** is a Director of Artisan Partners Limited, a Vice President of AIGP and a Managing Director of APLP. Before joining Artisan in January 1998, Ms. Guy was an audit manager with the accounting firm of Price Waterhouse and a visiting professor of accounting at the University of Michigan. Ms. Guy holds a B.S. in accounting from the University of Illinois and an M.B.A. from the Kellogg School of Management.

**Gregory K. Ramirez** is a Director of Artisan Partners Limited; a Vice President of AIGP; a Managing Director and Chief Accounting Officer of APLP; Vice President and Treasurer of Artisan Funds and a Director of Artisan Global Funds. Prior to joining Artisan in August 1997, Mr. Ramirez was an audit manager with Price Waterhouse. Mr. Ramirez holds a B.B.A. in accounting from the University of Iowa and an M.B.A. from Marquette University. He is a certified public accountant.

More information about the principal executives of AIC (excluding Ms. Johnson and Mr. Ramirez, whose information is provided above) is as follows:

**Eric R. Colson** is the President and Chief Executive Officer of AIGP, a Managing Director of APLP and President and Chief Executive Officer of Artisan Funds. Before joining Artisan in January 2005, Mr. Colson was an Executive Vice President of Callan Associates, Inc. Mr. Colson holds a B.A. in economics from the University of California – Irvine.

**Charles J. Daley, Jr.** is the Chief Financial Officer and Treasurer of AIGP and a Managing Director of APLP. Before joining Artisan in July 2010, Mr. Daley was Chief Financial Officer, Senior Executive Vice President and Treasurer at Legg Mason, Inc. Prior to his time at Legg Mason, Mr. Daley served as a senior accountant at Alexander & Alexander. Mr. Daley holds a B.S. in accounting from the University of Maryland and is a certified public accountant.

**Janet D. Olsen** is a Vice President and Secretary of AIGP and a Managing Director and Counsel of APLP. Before joining Artisan in November 2000, Ms. Olsen was a member of the law firm of Bell, Boyd & Lloyd LLP (now K&L Gates LLP). Ms. Olsen holds a B.A. from Blackburn College, Carlinville, Illinois, and a J.D. from The University of Chicago Law School.

**Andrew A. Ziegler** is the Executive Chairman of AIGP, a Managing Director of APLP and a Director of Artisan Funds. Immediately prior to founding Artisan in late

1994, Mr. Ziegler was President and Chief Operating Officer of Strong and President of the Strong group of mutual funds. Mr. Ziegler holds a B.S. from the University of Wisconsin – Madison and a J.D. from the University of Wisconsin Law School.

As referenced above, Artisan Partners Limited has appointed a Governing Body of Artisan Partners UK LLP, which is responsible for corporate governance and risk management at Artisan UK, taking into account its duties to clients and the regulatory requirements to which Artisan UK is subject. The Governing Body is responsible for oversight of Artisan UK's systems and controls, compliance procedures, finance function, governance arrangements and processes to identify, manage, monitor and report risks to which Artisan UK is or might be exposed. The Governing Body approves Artisan UK's compliance and risk management policies and procedures and assesses compliance by Artisan UK and its associates with the arrangements put into place to manage or mitigate risks. Ms. Johnson, Ms. Guy and Mr. Ramirez, whose information is provided above, are current members of the Governing Body.

### **Fees and Compensation**

Fees may be billed to clients by Artisan UK or APLP, dependent upon the Artisan contracting party for the management agreement. If Artisan UK is the billing party, a portion of the fees paid to Artisan UK will be paid to APLP for its discretionary management services.

The fees Artisan generally requires as compensation from separately-managed accounts are calculated as a percentage of the client's assets under management. Such asset-based fees are typically paid quarterly, in arrears, based on the average market value of the assets comprising the account during the calendar quarter, although Artisan will consider other methods of payment and/or fee calculation at the request of a client. Artisan generally bills for services quarterly. Clients may choose to pay such invoices from the assets of the account managed by Artisan or from another source. Upon a client's request, Artisan may agree to bill a client for its services in advance. If Artisan has billed in advance, any fees attributable to the period after termination will be refunded on a pro-rata basis, calculated based on the number of days on which Artisan provided investment management services to the client during the period in which termination occurred. Any such refund will be paid promptly after termination without further request by the client.

The rates of asset-based fees charged by Artisan at the date of this brochure to accounts of less than \$500 million, or where a client has less than \$500 million under Artisan's management, are shown in the table below. Artisan sometimes negotiates other fee schedules depending on the type of account, relationship, if any, to other accounts managed by Artisan, the size of the account, the level of client service required, potential growth and other factors Artisan considers relevant.

**Artisan Partners UK LLP**

Form ADV Brochure

February 5, 2013

<b>Strategy</b>	<b>Asset Base</b>	<b>Annual Fee Rate</b>
<b>Emerging Markets Accounts</b>	First \$50 million	0.90%
	Next \$50 million	0.85%
	Assets > \$100 million	0.80%
<b>Global Equity Accounts</b>	First \$50 million	0.80%
	Next \$50 million	0.60%
	Assets > \$100 million	0.50%
<b>Non-U.S. Growth Accounts</b>	First \$50 million	0.80%
	Assets > \$50 million	0.60%
<b>Non-U.S. Small-Cap Growth Accounts*</b>	All Assets	1.05%
<b>Global Value Accounts</b>	First \$50 million	0.80%
	Next \$50 million	0.60%
	Assets > \$100 million	0.50%
<b>Non-U.S. Value Accounts*</b>	First \$50 million	0.80%
	Next \$50 million	0.60%
	Assets > \$100 million	0.50%
<b>Global Opportunities Accounts</b>	First \$50 million	0.80%
	Next \$50 million	0.60%
	Assets > \$100 million	0.50%
<b>U.S. Mid-Cap Growth Accounts*</b>	First \$50 million	0.80%
	Next \$50 million	0.60%
	Assets > \$100 million	0.50%
<b>U.S. Small-Cap Growth Accounts</b>	All Assets	1.00%
<b>Value Equity Accounts</b>	First \$50 million	0.70%
	Next \$100 million	0.50%
	Assets > \$150 million	0.40%
<b>U.S. Mid-Cap Value Accounts*</b>	First \$50 million	0.80%
	Next \$50 million	0.60%
	Assets > \$100 million	0.50%
<b>U.S. Small-Cap Value Accounts*</b>	All Assets	1.00%

\*Artisan is generally not accepting new client relationships in the strategies indicated

Artisan will negotiate an individual fee schedule with a client having assets under Artisan's management of approximately \$500 million or more or in connection with a sub-advisory arrangement that Artisan thinks will provide it with access to a market segment to which Artisan would otherwise not have access. Artisan also provides sub-advisory services to one or more collective vehicles, including without limitation mutual funds, non-U.S. funds and collective trusts. The compensation Artisan receives from those collective vehicles for its sub-advisory services is at rates negotiated with those clients, which may be different from the rates set forth in the table above. As described above, APLP also serves as investment adviser to Artisan Funds and Artisan Global Funds and provides investment management and certain administrative services to those funds. Artisan UK serves as distributor for Artisan Global Funds. The fees paid by each

series of Artisan Funds and Artisan Global Funds to Artisan are described in their respective prospectuses and reflected in their financial statements included in reports to shareholders. For certain investment company clients, Artisan may agree to reimburse the client to the extent that the client's annual ordinary operating expenses exceed a specified limitation.

Artisan does not maintain any client's official books and records but maintains its own records of transactions in and holdings of client accounts that are the basis of Artisan's performance reporting to clients and, except to the extent Artisan and a client otherwise agree, the basis for calculating Artisan's management fees. In maintaining its own books and records, APLP generally values each equity security at the closing price on the exchange or market designated by APLP or a pricing vendor as the principal exchange or market. Artisan has established a valuation policy for these purposes that it makes available to clients upon request. That policy describes the procedures Artisan follows when closing market prices are not available.

In addition to the management fee paid to Artisan, a client that engages Artisan will pay other expenses in connection with its account. Those expenses include custodian fees and expenses (negotiated by the client and its custodian and outside the control of Artisan). If the client's arrangement with its custodian includes a transaction or ticket charge, the client's custody costs will be affected by the number of transactions executed in the account. Custody charges may also be affected by the number of countries in which assets of a portfolio are invested (and whether those countries are developed markets or not) and related sub-custody expenses. Each client also will pay brokerage commissions and other transaction costs. Artisan's practices relating to brokerage are discussed later in this brochure under the heading "Brokerage Practices." Clients with assets managed in Artisan's investment strategies that invest in Non-U.S. securities will also pay charges incurred in connection with foreign exchange transactions. Artisan's practices concerning foreign exchange transactions are more fully described above in the section of this brochure entitled "Advisory Business," under the sub-heading entitled "Other Investment Related Information."

Artisan may from time to time invest assets of a client portfolio in shares of an investment company not managed by Artisan, a real estate investment trust or another type of pooled investment vehicle. Investments in investment companies are usually made in exchange-traded investment companies, when Artisan believes that such an investment is an attractive investment opportunity or is the most efficient way to gain exposure to a particular market or market sector. For example, an account might invest in the securities of an exchange-traded fund investing in a particular country or region in which it may not be possible or may be inefficient for the account to invest directly. The cash balance of a client's account is typically invested in a money market fund or some other short-term pooled fund offered by the client's custodian and selected by the client. Pooled investment vehicles, including investment companies and real estate investment trusts, impose management fees and have other expenses of their own and a client

account investing in such a security will bear its proportionate share of those expenses in addition to Artisan's management fee.

The investment management fees charged by Artisan may be greater than fees charged by other investment managers for similar portfolio management services.

### **Performance-Based Fees and Side-by-Side Management**

In addition to the asset-based fee arrangements described in the section of this brochure entitled "Fees and Compensation" above, Artisan may, under certain circumstances, negotiate performance-based fee arrangements. Performance-based fee arrangements are negotiated with clients on a case-by-case basis and may include, among other types of arrangements, fulcrum fee arrangements (in which the fee is based on the investment performance of an account as compared to an agreed upon benchmark, and may be adjusted upwards or downwards from a base fee) a fee based upon appreciation of assets under management for the client or a fee based upon the amount of gain in an account. Artisan may have an incentive to manage the assets of accounts with performance-based fees differently from its other accounts because the fees earned from such accounts could be greater than the fees earned from other accounts, depending upon the investment performance achieved by the account. As a result, Artisan may have an incentive to take more risks in, direct its best investment ideas to, or to allocate or sequence trades in favor of, the accounts that pay a performance-based fee. Artisan believes this potential conflict is effectively controlled by its management of all accounts within a particular investment strategy similarly regardless of fee structure and by APLP's trade processing and allocation procedures. Please see the sections of this brochure entitled "Advisory Business" and "Brokerage Practices" for more detailed information.

### **Types of Clients**

Artisan provides investment management services to pension and profit sharing plans, corporations, trusts, endowments, foundations, charitable organizations, high net worth individuals, governmental entities and investment companies and similar pooled investment vehicles.

Artisan accepts responsibility for management of a client account only on a discretionary basis and requires that each client enter into a written agreement with Artisan granting it discretionary authority. In general, Artisan does not accept separately-managed accounts, or groups of related separately-managed accounts, that have initial asset values less than the amounts shown below, unless Artisan expects additions to the account(s) in the future. In addition, Artisan may require a client whose separately-managed account balance has fallen below the amounts shown below to make additions to its account to meet the minimum account size as a condition of maintaining the account, unless the failure to meet the minimum account size is the result of asset

depreciation due to market movements. Artisan may in the future set a higher or lower minimum account size, depending on circumstances believed by it to be relevant.

<b>Investment Strategy</b>	<b>Minimum Account Size</b>
Emerging Markets	\$50 Million
Global Equity	\$30 Million
Non-U.S. Growth	\$50 Million
Non-U.S. Small-Cap Growth*	\$50 Million
Global Value	\$30 Million
Non-U.S. Value*	\$30 Million
Global Opportunities	\$30 Million
U.S. Mid-Cap Growth*	\$50 Million
U.S. Small-Cap Growth	\$20 Million
Value Equity	\$30 Million
U.S. Mid-Cap Value*	\$30 Million
U.S. Small-Cap Value*	\$50 Million

\*Artisan is generally not accepting new client relationships in the strategies indicated.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Artisan employs five distinct investment teams, managing client assets in twelve investment strategies. Each investment team employs a fundamental research process, examining various items of financial and economic data the investment team deems relevant in an effort to forecast a company's likelihood of success and future stock price movements. All accounts managed by Artisan, regardless of investment strategy, invest primarily in common stocks and other equity securities, which may include preferred stocks, convertible securities, depositary receipts and rights and warrants to buy common stocks. Over time, equity securities have shown greater growth than other types of securities. In the short-term, however, stock prices may fluctuate widely in response to company, market or economic news. There is no guarantee that a client's account will achieve its investment objective, or that a client's account will not lose value. Investing in securities involves risk of loss that clients should be prepared to bear.

The percentage of each account's assets invested in various industries and sectors will vary from time to time depending on the investment team's perception of investment opportunities. Investments in particular industries or sectors may be more volatile than the overall stock market. For example, technology, science and communications are rapidly changing fields, and stocks of those companies may be subject to more abrupt or erratic market movements than the stock market in general. Consequently, a higher percentage of holdings in a particular industry or sector may have the potential for a greater impact on an account. For more detailed information about the investment processes utilized by Artisan in managing client accounts, please see the section of this brochure above entitled "Advisory Business."



Artisan does not make investments to pursue income, and an account managed by Artisan is not a balanced investment plan. Each investment team's ability to choose appropriate investments for an account has a significant impact on the ability to achieve an account's investment objective.

The risks to which an account managed by Artisan is subject include the following:

***All Accounts***

- All accounts invest primarily in common stocks and other equity securities. The value of a company's stock may rise and fall in response to company, market, economic or other news.
- Growth and value stocks tend to be in favor and out of favor with investors at different times and each may underperform other asset types during given periods. A growth company may never achieve the earnings growth Artisan anticipated. The price of a value company's stock may never reach the level Artisan considers its intrinsic value.
- If an account has a higher percentage of its total assets invested in a particular region, sector or industry, changes affecting that region, sector or industry may have a significant impact on the performance of the account's overall portfolio.
- Non-U.S. stocks as an asset class may underperform U.S. stocks and may be more volatile than U.S. stocks. Investments in non-U.S. securities (including, but not limited to, depositary receipts and participation certificates) are subject to risks. These risks include currency exchange rate fluctuation; less available public information about the issuers of securities; less stringent regulatory standards; lack of uniform accounting, auditing and financial reporting standards; and country risks including less liquidity, high inflation rates, unfavorable economic practices, political instability and expropriation and nationalization risks.
- The performance of an account may be affected by investments in initial public offerings (IPOs). The impact of IPOs on performance depends on the strength of the IPO market and the size of the account. When an account is small, IPOs may greatly increase the account's total return. However, IPOs may have less impact on a larger account. Investing in IPOs is risky and the prices of stocks purchased in IPOs tend to fluctuate more widely than stocks of companies that have been publicly traded for a longer period of time. Stocks purchased in IPOs generally do not have a trading history and information about the companies may be available for very limited periods. IPO investments are allocated among accounts managed by Artisan in accordance with APLP's trade processing procedures, which are explained in more detail in the section of this brochure below entitled "Brokerage Practices."

- Artisan generally does not tailor its investment management services to the individual needs of clients, but rather invests all of the accounts in a particular strategy in a similar manner. Therefore, actions by one client account or multiple client accounts may impact the manner in which Artisan invests on behalf of all of its client accounts if one or more accounts place restrictions on investments that differ from the restrictions of other client accounts. However, Artisan does not generally accept accounts subject to restrictions that Artisan believes would adversely affect its ability to manage client accounts.

***Emerging Markets, Global Equity, Non-U.S. Growth, Non-U.S. Small-Cap Growth, Global Value, Non-U.S. Value, Global Opportunities and Value Equity Accounts***

- The risks of foreign investments typically are greater in emerging and less developed markets. For example, political and economic structures in these less developed countries may be new and changing rapidly, which may cause instability and greater risk of loss. Their securities markets may be less developed and securities in those markets are generally more volatile and less liquid than those in developed markets. Emerging market countries are also more likely to experience high levels of inflation, deflation or currency devaluations, which could hurt their economies and securities markets. Certain emerging markets also may face other significant internal or external risks, including a heightened risk of war and ethnic, religious and racial conflicts. In addition, governments in many emerging market countries participate to a significant degree in their economies and securities markets, which may impair investment and economic growth of companies in those markets. High levels of national debt also tend to make such markets heavily reliant on foreign capital and, therefore, vulnerable to capital flight.
- Securities purchased by Artisan are often denominated and traded in currencies other than a client's base currency. The exchange rates between those currencies and a client's base currency fluctuate continuously. As a result, the values of such investments will be affected favorably or unfavorably by changes in currency exchange rates relative to the client's base currency. A portfolio may have a significant portion of its assets invested in securities denominated in a particular non-base currency, so the exchange rate between that currency and the base currency is likely to have a significant impact on the value of the portfolio. Artisan usually does not hedge against possible variations in exchange rates in the strategies listed above, but, in limited circumstances, exposure to a particular security that Artisan believes is overvalued may be hedged if the accounts have, or are initiating, positions in securities traded in that currency. There can be no guarantee that any hedging activity will be undertaken or, if undertaken, will be successful. Hedging activity or use of forward foreign currency contracts may reduce the risk of loss from currency revaluations, but also may reduce or limit the opportunity for gain. These actions also involve counterparty risk, which is

the risk that the contracting party will not fulfill its contractual obligation to deliver the currency contracted for at the agreed upon price.

***Emerging Markets, Global Equity, Non-U.S. Growth, Non-U.S. Small-Cap Growth, Global Value, Non-U.S. Value and Global Opportunities Accounts***

- The price, performance, liquidity and value of a participation certificate are all linked directly to an underlying security or securities, so that investing in a participation certificate subjects the portfolios to the risks associated with an investment in the underlying equity security or securities.
- Investing in a participation certificate also exposes the portfolios to the counterparty risk that the bank or broker-dealer that issues the certificate will not fulfill its contractual obligation to timely pay the holder the amount owed under the certificate.

***Global Value Accounts***

- Debt securities in which the accounts invest may be unrated or lower-rated, and may have a risk profile closer to that of an equity security. Compared to other debt securities, debt securities with the lowest investment grade ratings (often called “junk bonds”) are considered to have speculative characteristics. On balance, debt securities that are below investment grade or unrated generally are considered predominately speculative with respect to the issuer’s capacity to pay interest and repay principal according to the terms of the obligation and, therefore, carry greater investment risk, including the possibility of default and bankruptcy. These securities are likely to be less marketable and more adversely affected by economic downturns than high-quality debt securities. The accounts may invest in debt securities without considering the maturity of the instrument. Debt securities have varying levels of sensitivity to changes in interest rates. In general, the price of a debt security can fall when interest rates rise and can rise when interest rates fall. Securities with longer maturities can be more sensitive to interest rate changes. As a result, changes in interest rates in the U.S. and outside the U.S. may affect the accounts’ debt investments unfavorably.
- Investing in convertible securities subjects the accounts to the risks associated with an investment in the underlying equity security. Convertible securities are frequently issued with a call feature that allows the issuer to choose when to redeem the security, which could result in the accounts being forced to redeem, convert, or sell the convertible security under circumstances unfavorable to the accounts. In addition, if the value of the equity security underlying the convertible security declines enough, the convertible security is more likely to be valued as a debt security and subject the accounts to the risks of debt securities as described above.

***Emerging Markets, Global Equity, Non-U.S. Growth, Global Value, Non-U.S. Value, Global Opportunities, U.S. Mid-Cap Growth, Value Equity and U.S. Mid-Cap Value Accounts***

- Stocks of medium-sized companies tend to be more volatile and less liquid than stocks of large companies. Compared to large companies, medium-sized companies typically may have analyst coverage by fewer brokerage firms. For this reason, they are more likely to be trading at prices that reflect incomplete or inaccurate information. During some periods, stocks of mid-sized companies, as an asset class, have underperformed the stocks of small and large companies.

***Emerging Markets, Global Equity, Non-U.S. Growth, Non-U.S. Small-Cap Growth, Non-U.S. Value, U.S. Small-Cap Growth and U.S. Small-Cap Value Accounts***

- Stocks of small companies tend to be more volatile and less liquid than stocks of large companies. Compared to large companies, small companies typically may have analyst coverage by fewer brokerage firms. For this reason, they are more likely to be trading at prices that reflect incomplete or inaccurate information. Small companies may have a shorter history of operations, less access to financing, and a less diversified product line, making them more susceptible to market pressures and more likely to have a volatile stock price. During some periods, stocks of small companies, as an asset class, have underperformed the stocks of larger companies.

**Disciplinary Information**

Artisan and its management personnel have not been involved in a legal or disciplinary event that Artisan believes to be material to a client's or prospective client's evaluation of its advisory business or the integrity of its management personnel.

**Other Financial Industry Activities and Affiliations**

The founding member of Artisan UK is Artisan Partners Limited. Artisan Partners Limited is wholly owned by Artisan Partners Holdings LP, a Delaware limited partnership, as described in more detail within the section of this brochure entitled "Advisory Business."

Artisan Partners Holdings LP also owns (directly and indirectly) all of the partnership interests of APLP, a Delaware limited partnership. Like Artisan UK, APLP is an investment adviser registered with the SEC. APLP was formed in March 2009 and succeeded to the investment management business of Artisan Partners Holdings LP during 2009. Artisan Partners Holdings LP was founded in December 1994 and began providing investment management services in March 1995. APLP's principal address is 875 East Wisconsin Avenue, Suite 800, Milwaukee, WI, 53202. We have included

additional information concerning the positions at APLP held by the directors of Artisan Partners Limited within the section of this brochure entitled “Advisory Business,” under the sub-heading “Executive Personnel.”

Artisan Partners Holdings LP also owns 100% of the ownership interests of Artisan Distributors, a registered, limited purpose broker-dealer. The sole function of Artisan Distributors is to serve as distributor of the securities of Artisan Funds, an open-ended diversified management investment company for which Artisan Partners serves as investment adviser. Artisan Distributors does not engage in the execution of securities transactions and is not engaged by APLP or Artisan UK to execute securities transactions for the accounts of Artisan’s clients. We have included additional information concerning the positions at Artisan Distributors held by the directors of Artisan Partners Limited within the section of this brochure entitled “Advisory Business,” under the sub-heading “Executive Personnel.”

### **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The Investment Advisers Act of 1940, as amended (the “Advisers Act”), and the rules adopted pursuant to that act require that Artisan adopt and enforce a code of ethics to set forth standards of conduct and require compliance by certain of its personnel (“Covered Persons”) with applicable federal securities laws. Artisan has adopted a written Code of Ethics (the “Code”) that, among other things, governs the personal securities transactions of its Covered Persons. Artisan will provide a copy of the Code to any client or potential client upon request or as required by applicable law.

The Code requires Covered Persons to conduct personal securities transactions in a manner that does not interfere with transactions on behalf of Artisan’s clients and does not take inappropriate advantage of their positions and access to information that comes with such positions. The Code requires pre-approval of most personal securities transactions believed to present a potentially meaningful risk of a conflict of interest (including acquisitions of securities as part of an initial public offering or private placement) and generally prohibits Covered Persons from profiting from the purchase and sale, or sale and purchase, of the same (or equivalent) securities within sixty days. In addition, the Code requires reports of personal securities transactions (which generally are in the form of duplicate confirmations and brokerage account statements) to be filed with Artisan’s compliance department quarterly or more frequently. Those reports are reviewed for conflicts, or potential conflicts, with client transactions. The Code also contains provisions relating to the making, receipt and reporting of gifts and business entertainment. In addition, Artisan UK has adopted a Compliance Manual as required by the U.K. Financial Services Authority. Among other matters addressed by the Compliance Manual, personal securities transactions conducted by Artisan UK’s personnel must comply with the provisions of the Compliance Manual addressing such activities.

The Code prohibits the purchase and sale of securities to and from client accounts by Artisan and its personnel. The Code also contains policies designed to prevent the misuse of material, non-public information and to protect the confidential information of Artisan's clients. The operation of those policies and of applicable securities laws may prevent the execution of an otherwise desirable transaction in a client account if Artisan believes that it is or may be in possession of material non-public information regarding the security that would be the subject of that transaction.

Artisan may buy or sell securities for client accounts that Artisan also buys or sells for itself or its affiliates, or that Covered Persons buy or sell for themselves, including the purchase or sale of a security for the account of a client already held by Artisan or an affiliate or a Covered Person or in which Artisan, its affiliates, or a Covered Person has a financial interest. Those investments may give Artisan an incentive to buy or sell a security for clients' accounts in order to bolster the personal investment. However, Artisan and its Covered Persons have a duty to put the interests of Artisan's clients ahead of their own personal investments, as set forth in the Code. In addition, all trades by Covered Persons in securities held in client accounts are reviewed by Artisan's compliance personnel in an effort to detect any patterns or circumstances potentially suggesting the existence of "front-running" or other behavior prohibited under the Code. Personal transactions for Covered Persons are subject to preclearance requirements under the Code and generally are not permitted to be executed if a client transaction is pending in the same security.

A client's portfolio may hold securities of an issuer in which a partner of Artisan Partners Holdings LP (by which Artisan Partners Limited, the founding member of Artisan UK, is wholly owned) has an interest. The interests of partners of Artisan Partners Holdings LP who are not actively involved in Artisan's business in companies in which client accounts may invest may be significant or controlling interests, potentially providing Artisan an incentive to invest client assets in these securities. However, those persons have no involvement or participation in Artisan's investment decisions on behalf of clients. In addition, each investment for a client account must meet Artisan's rigorous investment criteria, as more fully described in the section of this brochure entitled "Advisory Business" above.

Transactions in a security on behalf of Artisan, its Covered Persons and accounts in which Artisan or its affiliates have an interest may be aggregated with transactions in the same security for client accounts. If that occurs, all of those aggregated transactions would receive or pay the same average price for the security and pay the same brokerage commission. From time to time, Artisan may use a proprietary account to evaluate the viability of an investment strategy or bridge what would otherwise be a gap in a performance track record. These and other proprietary or similar accounts that may exist from time to time are, in general, treated like client accounts for purposes of allocation of investment opportunities. To the extent there is overlap between the investments of one or more of these accounts and the accounts of Artisan's clients, portfolio transactions generally will be aggregated and allocated pro rata among participating accounts,

including the proprietary and other accounts. Artisan believes that aggregation and allocation of trades in this manner mitigates any conflict of interest arising from proprietary investments in the same securities held by clients and the market impact that could result from such proprietary trading activity if conducted on a stand-alone basis. For more information about Artisan's trade processing and allocation procedures, please see the section of this brochure below entitled "Brokerage Practices."

With prior written approval, Artisan may allow a Covered Person to serve as a director of a public company. Because of the heightened risk of misuse, or allegations of misuse, of material non-public information, Artisan does not permit investment by client accounts or by Covered Persons in securities of any issuer of which a Covered Person is a director, except that the Covered Person who is the director may purchase and sell that company's securities for his or her own account or for the account of his or her immediate family members. This prohibition may foreclose investment opportunities that would be available if the Covered Person were not a director. Many public companies impose restrictions and limitations on purchases and sales of the company's securities by its directors and officers. Such restrictions, if any, would be in addition to and entirely separate from the requirements of Artisan's Code. No Covered Person currently serves as a director of a public company.

### **Brokerage Practices**

Artisan generally has authority to supervise and direct the investments of and for a client's account without prior consultation with the client. Pursuant to its discretionary authority, Artisan generally determines which securities are bought and sold for the account, the total amount of each purchase and sale, the brokers or dealers to be used, and the commission rates paid to effect the transactions. Artisan's authority may be subject to conditions imposed by the client, for example, where the client restricts or prohibits transactions in certain securities or types of securities.

#### ***Selection of Brokers and Dealers to Effect Client Transactions***

APLP places the orders for the purchase and sale of the securities held in client portfolios. APLP's primary objective in effecting portfolio transactions is to obtain the best combination of net price and execution under the circumstances. The best net price, giving effect to brokerage commissions, if any, and other transaction costs, is normally an important factor in this decision, but a number of other subjective factors may also enter into the decision. These include:

- APLP's knowledge of negotiated commission rates currently available and other current transaction costs;
- the nature of the security being traded, the size and type of the transaction and the desired timing of the trade;
- the activity existing and expected in the market for the particular security;

- confidentiality, including trade anonymity;
- the broker's or dealer's execution, clearance and settlement capabilities, including its flexibility in completing step-out transactions;
- APLP's knowledge of the financial stability and operational capability of the broker or dealer selected;
- the broker's or dealer's willingness to commit its own capital to complete the transaction;
- access provided by the broker or dealer to limited investment opportunities, such as initial public offerings;
- rebates of commissions by a broker or dealer to a client or to a third party to pay a client's expenses;
- whether executing the trade through an electronic communication network ("ECN") can provide a better combination of net price and execution; and
- APLP's knowledge of actual or apparent operational problems of any broker or dealer considered.

To the extent more than one broker or dealer is capable of providing best execution, based on the factors listed above, APLP may take into account whether the broker or dealer provides Artisan with research products or services, and the value of such products or services. Recognizing the value of those factors, APLP may cause a client's account to pay a brokerage commission in excess of that which another broker or dealer might have charged for effecting the same transaction.

APLP maintains and periodically updates a list of approved brokers and dealers that, in APLP's judgment, generally are able to provide best net price and execution after taking into consideration the factors noted above. Evaluations of the services provided by brokers and dealers, including the reasonableness of brokerage commissions based on the foregoing factors, are made on an ongoing basis by Artisan's staff while effecting portfolio transactions, subject to the oversight of and review by APLP's brokerage committee.

APLP does not consider, in selecting brokers or dealers to be used in effecting securities transactions for client accounts, whether Artisan received client referrals from the broker or dealer.

As a matter of policy, APLP does not compensate a broker or dealer for any promotion or sale of shares of Artisan's mutual fund advisory clients (including Artisan Funds) by directing to the broker or dealer: (i) securities transactions for a mutual fund advisory portfolio; or (ii) any remuneration, including but not limited to any commission, mark-up, mark-down or other fee (or portion thereof) received or to be received from



mutual fund client portfolio transactions effected through any broker or dealer. APLP has adopted policies and procedures that are reasonably designed to prevent: (1) the persons responsible for selecting brokers and dealers to effect transactions in portfolio securities (for example, trading desk personnel) from taking into account, in making those decisions, brokers' and dealers' promotional or sales efforts on behalf of Artisan's mutual fund advisory clients; and (2) APLP from entering into any agreement or other understanding under which they direct or are expected to direct brokerage transactions or revenue generated by those transactions to a broker or dealer to pay for distribution of shares of its mutual fund advisory clients. As part of such policies and procedures, APLP's staff conducts periodic testing to determine if any significant correlation exists between the sales of Artisan Funds shares by a broker or dealer and the direction of brokerage transactions on behalf of Artisan Funds portfolios to that broker or dealer (or an affiliate).

***Research Products and Services Received by Artisan***

When selecting a broker or dealer or an ECN for a particular transaction, APLP may consider, among other factors, the value of research products or services furnished to Artisan and its affiliates by those organizations. The types of research products and services that may be received, and were received by Artisan during its last fiscal year, include:

- research reports (including reports that are specific to issuers, industries and/or geographic regions);
- subscriptions to financial publications and research compilations that are not targeted to a wide, public audience;
- investment ideas;
- access to the broker's or dealer's traders and analysts;
- access to conferences and seminars that provide substantive content relating to issuers and industries;
- access to management teams of companies with which the broker or dealer has a relationship;
- access to groups of professionals with expertise in particular industries and/or subject matter areas;
- research-oriented computer software and services;
- compilations of securities prices, earnings, dividends and similar market, financial and other economic data;
- securities quotation services; and

- services related to economic and other consulting services.

APLP provides clients with detailed information about the research and other products and services received by Artisan in exchange for client brokerage (often referred to as “soft dollar” benefits) upon client request or in accordance with the terms set forth in the investment management agreement between APLP and the client.

When the items described above are received in return for client brokerage, it relieves Artisan of the expense it would otherwise bear in creating such items on its own or paying for those items with its own funds. This may provide an incentive to select a particular broker or dealer or ECN based on Artisan’s interest in receiving these items, rather than on Artisan’s interest in receiving most favorable execution for its client accounts. However, APLP chooses those brokers, dealers and ECNs it believes are best able to provide the best combination of net price and execution in each transaction.

In some instances, APLP may have an agreement or understanding with the broker or dealer or ECN that Artisan will direct brokerage transactions to that broker or dealer or ECN generating not less than a stated dollar amount of commissions. In those instances, the obligations of APLP pursuant to that agreement or understanding may, in some transactions, be an important or determining factor in the selection of a broker or dealer or ECN, even if another broker, dealer or ECN might execute the same transaction on comparable terms. APLP enters into such an agreement with a broker or dealer only if, in the judgment of APLP, the benefits to clients of the research products and/or services provided outweigh any potential disadvantages to clients. In other instances, APLP may have no agreement or understanding with a broker or dealer that provides research. APLP identifies those brokers and dealers that have provided Artisan with research products or services and the value of the research products or services they provided. APLP directs commissions generated by client accounts in the aggregate to those brokers and dealers to ensure the continued receipt of research products and services Artisan believes are useful.

Artisan may use research products or services provided by brokers, dealers or ECNs in servicing Artisan’s proprietary accounts (if any) and the accounts of any or all of its and its affiliates’ clients managed by the investment team(s) that uses the research products or services. In addition to trading with a broker or dealer directly as described above, APLP may use step-outs to direct commissions to a broker or dealer that has provided research services to Artisan and provides clearing and settlement services in connection with the transaction. APLP has also entered into a limited number of client commission arrangements with certain broker or dealer firms pursuant to which APLP executes securities transactions with such brokers or dealers in order to facilitate the receipt of research provided by a party other than the executing broker or dealer. A portion of the commission paid to the executing broker or dealer is retained by that broker or dealer to compensate the broker or dealer for the execution services provided, while another portion is credited for the provision of research products and services (or in some cases, the “eligible portion” of “mixed use” products and services described below). APLP typically instructs the provider of such research products or services (who

themselves may be brokers or dealers) to deliver an invoice directly to the executing broker or dealer, with payment of the invoice made directly by the executing broker or dealer from the credits described above.

Artisan does not use client brokerage from accounts invested in an investment strategy for research and/or other services that do not benefit that strategy. However, because they have responsibilities across Artisan's U.S. or non-U.S. investment strategies (including other APLP investment strategies to which Artisan UK does not provide investment sub-advisory services and therefore not described in this brochure), the costs of research and/or other services provided to members of Artisan's U.S. and non-U.S. trading teams are borne pro-rata by clients in the U.S. and non-U.S. strategies, respectively, rather than specifically identified to a single strategy. Because accounts within each strategy are managed to a single model and because, as explained in more detail below, Artisan generally aggregates trades in a particular security for multiple clients for execution as a single transaction, Artisan believes that its clients generally benefit from the research and/or other services received by Artisan in exchange for client brokerage on an essentially pro rata basis.

In some instances, Artisan may receive from a broker or dealer a product or service that is used both for investment research and for administrative, marketing or other non-research purposes (so-called "mixed use" products and services). In those cases, APLP makes a good faith effort to determine the proportion of such products or services which may be considered used for investment research. The portion of the costs of such products or services attributable to research usage (the "eligible portion") may be defrayed by Artisan through brokerage commissions generated by client transactions. Artisan pays the portion of the costs attributable to non-research usage of those products or services from its own funds. Artisan also pays from its own funds the pro rata share of the cost of third-party research products and services that would have been paid by certain types of clients that are subject to legal restrictions on the use of their commissions to pay for such third-party research products and services.

The research products and services received by Artisan or its affiliates and obtained through the payment of soft dollars include both third-party research (in which the executing broker or dealer makes payment on Artisan's behalf and at APLP's direction to a third party (who may or may not itself be a broker or dealer) who has independently prepared the research products or services) and proprietary research (in which the research products or services provided are prepared by the executing broker or dealer).

Artisan's use of client brokerage to acquire research products and services is intended to qualify for the safe harbor provided by Section 28(e) of the Securities Exchange Act of 1934, as amended, and may involve payment of agency commissions, compensation on certain riskless principal transactions, and any other securities transactions the compensation on which qualifies for safe harbor treatment.

### ***Commission Recapture Programs***

The nature of the securities in which Artisan invests requires the use of a large number of brokers and dealers over a wide geographic area, including many local and regional firms. APLP prefers to have discretion to select the broker or dealer or other counterparty to be used in each transaction. Some clients participate in commission recapture programs, in which a broker or dealer through which transactions for that client are executed or cleared, in return for that business, pays the client a cash rebate, provides products or services to the client, bears some of the client's expenses, or provides some other kind of benefit to the client.

Artisan does not recommend, request nor require that its clients participate in commission recapture programs, and generally will agree to manage an account which participates in a commission recapture program only upon client request and only to a limited extent. For those clients who have made such a request, Artisan tries to provide equitable opportunities to recapture commissions, subject to: (i) differences that may arise as a result of cash flows into or out of an account; and (ii) APLP's ability to locate a suitable brokerage firm willing to facilitate commission recapture, particularly on trades involving securities traded outside the United States. In all cases, Artisan participates in client commission recapture programs subject to its objective to obtain the best combination of net price and execution under the circumstances.

It is often the case that clients' recapture brokers are not brokers APLP would otherwise use for execution of portfolio transactions. As a result, in the case of U.S. securities, APLP utilizes step-outs when possible to cause a client's recapture broker or dealer to participate in clearance and settlement of transactions in return for a share of the commissions on those transactions. In a step-out, APLP directs a transaction to one broker or dealer for execution, with settlement to be handled by the recapture broker or dealer and the recapture broker or dealer receiving all or part of the commission on the transaction. If step-outs are not feasible or otherwise not desired by a client, Artisan and the client may agree on other arrangements to facilitate the client's commission recapture goals. It has been Artisan's experience that opportunities to recapture commissions on non-U.S. transactions are limited.

Artisan monitors its progress toward reaching a client's commission recapture goals on an on-going basis. Artisan may be unsuccessful in meeting a client's commission recapture goals if the arrangements described in the preceding paragraph are not possible (or not possible to an extent sufficient to satisfy the client's direction).

### ***Trade Processing and Allocation***

Artisan seeks to treat all of its clients fairly when allocating investment opportunities among clients. In furtherance of that goal, APLP maintains written trade processing and allocation procedures that govern the allocation of investment opportunities among clients. APLP typically attempts, to the extent feasible and in its discretion, to aggregate trades in a particular security for multiple clients for execution as

a single transaction. Artisan believes that aggregation of trades generally results in lower commissions, more advantageous net prices and/or more efficient execution of transactions. Trades for Artisan, its partners, employees and other affiliates, and accounts in which one or more of them has an interest (including Artisan's proprietary accounts, if any), may be included in an aggregated trade with client accounts. All accounts participating in an aggregated order participate at the average share price and commission rate for all transactions in the security pursuant to that order.

Before placing an aggregated trade, APLP generally establishes a target allocation among participating accounts for securities purchased or sold pursuant to that order. If an aggregated order is filled only in part, the securities purchased or sold are generally allocated among participating client accounts in proportion to their target allocations. Priority in allocation may be given to transactions needed to cause an account to be rebalanced to the desired weightings, or in connection with funding or withdrawal from an account, among other things.

In some circumstances, it is not possible to establish a target allocation for a particular transaction in advance. This is true, for example, of purchases of securities in most underwritten offerings, including initial public offerings, because it is generally not known in advance how many shares will be received. Artisan takes advantage of opportunities to participate in initial public offerings for client accounts when they are made available, and when the particular security would be appropriate for the client account, even if the security is acquired without a view toward long-term investment. Securities acquired in transactions for which no target allocation was established generally are allocated among client accounts eligible to participate in the transaction and managed in an investment strategy for which the investment team has expressed an interest in participating in the transaction. Securities acquired are allocated in proportion to the size of such clients' accounts. Artisan's proprietary accounts (if any) are not permitted to invest in initial public offerings.

For underwritten offerings, any allocation to an account that would be less than a minimum order size established from time to time by APLP is generally increased to that minimum size. The minimum order size is the same for all accounts managed within the same investment strategy.

There also may be instances where a particular security is held by more than one of Artisan's investment strategies ("cross holdings") due to the overlap of their investment universes. For example, a security may at times be of interest to both Artisan's U.S. and non-U.S. teams. "Same way" or "same side" transactions (that is, all buys or all sells) in a security held by more than one strategy are generally aggregated across all participating accounts. On occasion, the portfolio manager of one strategy may impose a price limit or some other differing instruction and so may decide not to participate in the aggregated order. In those cases, an APLP trader works both trades in the market at the same time, subject to the requirements of APLP's written trade processing procedures. When orders for a trade in a security are opposite to one another (that is, one portfolio is buying a security, while another is selling the security) and the

APLP trader receives a buy order while a sell order is pending (or vice versa), the APLP traders may contact the portfolio managers involved to determine if either portfolio manager wishes to withdraw or modify his or her order. If both orders remain unmodified, the APLP traders may proceed to work those orders in the markets, so long as the APLP traders follow APLP's written trade processing procedures.

With respect to an investment team that is permitted to short securities in a strategy it manages, no order to sell a security short may be executed if the same or a related security (such as, for example, an ADR, a different line or class of the security or a derivative of the security) is held long in any account managed by the same investment team. Similarly, no order to purchase a security long may be executed if the same or a related security is held short in any account managed by the same investment team.

The application of APLP's written trade processing and allocation procedures may sometimes cause a client's account to receive more than one "fill" of a particular security in a particular day. Although a client may incur an additional custodial expense as a result of the additional transaction, Artisan believes that the cost is generally outweighed by the desirability of participating in aggregated transactions.

Exceptions to APLP's trade processing procedures may be made in identified circumstances by APLP's traders or with approval in advance by one of certain designated members of Artisan's management who are not part of the portfolio management process.

Certain clients may have restrictions prohibiting the execution of transactions through one or more designated brokers or dealers. As a result, APLP might be required to separate the client's transaction from the aggregated transactions for other clients and send the client's transaction for execution to a different broker or dealer. A client transaction being executed separately as a result of the client's restriction is typically placed in the market after the aggregated transaction for all other clients is placed in the market. As a result, the trade for the restricted account is likely to be executed at a different point in time as compared to the aggregated transaction, which is likely to result in the restricted account receiving a higher or lower price for the trade than other clients.

APLP uses its best efforts to execute all transactions accurately and to comply with all client restrictions and directions, but errors occur from time to time. At least one senior member of Artisan's management who is not part of the portfolio management process reviews each error to determine if a client has suffered a loss as a result of the error, and the course of action to be taken. In some circumstances, corrective action may not be necessary or appropriate. In other circumstances, Artisan may take action to return the client's account to the position it would have been in but for APLP's error, at Artisan's expense.

## **Review of Accounts**

The Artisan portfolio manager(s) responsible for an investment strategy continuously assesses the securities held by clients in that investment strategy. APLP's traders also review the securities comprising the portfolio of each investment advisory account at least weekly. Oversight of investment activity in client portfolios is also conducted by APLP's portfolio oversight group and Artisan UK's compliance officer (and persons under such officer's supervision), when applicable and through a range of different methods, including, for example, automated pre-trade and post-trade testing and manual reviews. Adherence to the stated investment strategy is reviewed by APLP's investment operations group, headed by APLP's chief executive officer, by reviewing a range of portfolio characteristics of each strategy's model account and comparing those characteristics to the characteristics of the constituents of the strategy's benchmark index, and by evaluating the performance achieved by the strategy, both on an absolute basis and in comparison to the performance of the benchmark index and the strategy's peers. As described in more detail above, the Governing Body of Artisan UK also has responsibility for corporate governance and risk management of Artisan UK, taking into account its duties to clients and the regulatory requirements to which Artisan UK is subject. In addition, APLP's compliance personnel are responsible for compliance oversight of Artisan's investment activities.

APLP provides to clients (other than investment company clients), no less frequently than quarterly, a written report, including a statement of all assets in the account at the end of the period and all transactions in the account during the period, a written calculation of investment performance and such other information or reports as may be required by the relevant client account's governing documents. APLP will furnish any additional or supplemental reports a client may reasonably request. Investment company clients of Artisan receive reports as requested by their boards or as required by relevant laws, including the Investment Company Act of 1940, as amended.

In addition to the quarterly reports provided to each client showing the investment performance achieved in the client's account, APLP also calculates composite returns for each of its investment strategies that the firm uses in marketing its services to prospective clients and may also provide the returns to existing clients.

## **Client Referrals and Other Compensation**

Artisan does not receive economic benefits for providing investment advice or other advisory services to its clients from parties other than its clients. As explained in "Brokerage Practices" above, Artisan may, however, receive certain research or other products or services in connection with the execution of securities transactions for client accounts.

Other than as described in the following paragraph, Artisan does not directly or indirectly compensate any person who is not an Artisan associate for client referrals.

Each Artisan investment professional participates in a bonus pool the aggregate amount of which is determined by reference to the firm's revenues received in connection with accounts managed by the team of which that professional is a part. Certain Artisan marketing and client service professionals participate in a bonus pool the amount of which is generally a percentage of the firm's revenues received in connection with accounts serviced by the team of which that professional is a member.

Effective October 21, 2011, APLP retained a third-party marketing agent in Australia (the "Australian Solicitor") to assist it in its efforts to market its products and services to and obtain as clients certain types of institutional prospects in Australia and New Zealand. Pursuant to that arrangement, APLP pays the Australian Solicitor a monthly base retainer and an annual success fee. The success fee equals 15% of the revenue generated during a full calendar year by the total assets under APLP's management sourced from institutional clients located in Australia and New Zealand and invested in either (a) an Artisan separately managed account or (b) a series of Artisan Global Funds, subject to a minimum success fee guarantee. APLP may also reimburse the Australian Solicitor for certain reasonable expenses incurred in connection with its solicitation activities that are performed on APLP's behalf. No APLP client that becomes a client after being solicited by the Australian Solicitor on behalf of APLP is charged any amount by the Australian Solicitor or APLP, through an increased management fee or otherwise, as a result of APLP's payments to the Australian Solicitor for the services it provides pursuant to this arrangement. There is no difference in the amount or level of the fees charged to any client by APLP with respect to its provision of investment management services to such client that is attributable in any way to the payment by APLP of these fees to the Australian Solicitor; however, APLP's fees may vary and different clients may pay more or less as a result of fee waivers or negotiation, as described above in the section of this brochure entitled "Fees and Compensation."

Artisan may, from time to time, have business relationships with organizations that are, or that are affiliated with organizations that are, investment consultants. Artisan may from time to time purchase index data and/or investment manager performance data and associated services from certain of those consulting firms. For example, Artisan purchases index data from The Frank Russell Company. From time to time, Artisan also may engage one or more of those consultants to perform consulting services with respect to specific matters relating to Artisan's business.

In addition, Artisan's marketing and client service professionals call on and may occasionally entertain or make gifts (within certain limits as more fully set forth in the Code) to representatives of investment consulting firms in the process of soliciting new business and providing services to existing client relationships. From time to time, Artisan and/or its partners or members may also make charitable contributions to organizations associated or affiliated with clients and/or investment consultants. Those consultants may provide services to clients of Artisan and/or investors in the shares of investment companies to which Artisan serves as investment adviser. Such services may include, but are not limited to, assisting in the selection of investment advisers to manage



their clients' assets and assisting in the selection of investment companies to serve as investment options for their clients. Artisan may also provide cash or non-cash support for educational, training, marketing and other events sponsored by consulting firms.

Artisan has not paid any investment consultant, directly or indirectly, to be included in a client's investment manager search or in return for any client mandate. From time to time Artisan may pay a fee to facilitate the inclusion of information about the firm in databases maintained by certain third-party data providers who in turn make such information available to their investment consultant clients.

In addition, APLP, in its capacity as investment adviser to Artisan Funds, and Artisan Distributors, in its capacity as distributor of the shares of Artisan Funds, have relationships with certain banks, brokers, dealers, and benefit plan recordkeepers through which shares of Artisan Funds are made available for purchase by investors. Those parties also may be engaged in, or have affiliates engaged in, the business of providing investment consulting services. APLP generally pays a fee for the marketing and distribution services provided by such parties in connection with the sale of shares of Artisan Funds, which is typically a percentage of the value of the shares of Artisan Funds held by investors through investment accounts with such parties. APLP also may occasionally pay business entertainment expenses or make gifts (within certain limits as more fully set forth in the Code) to representatives of those organizations, and may also provide cash or non-cash support for educational, training, marketing and other events. These banks, brokers, dealers, and benefit plan recordkeepers, as nominee or otherwise for the benefit of their clients, hold shares of Artisan Funds, the redemption of which would have an adverse effect on Artisan Funds and/or Artisan.

### **Custody**

Artisan generally does not maintain, and will not accept, custody of client funds or securities, and will seek to take such actions as are necessary to avoid being deemed to have custody of client funds or securities. Artisan generally has no involvement in the process by which a client selects its custodian and no involvement in a client's negotiation of its custodial arrangements. See the section of this brochure above entitled "Fees and Compensation" for more information about the expenses a client may incur in connection with its custodial arrangements.

APLP acts as an investment manager to a private investment partnership the general partner of which is an affiliate of Artisan (the "private investment partnership"). The private investment partnership has entered into a custodial arrangement with a qualified custodian as defined under 206(4)-2 of the Advisers Act (the "Custody Rule"). To comply with the Custody Rule, limited partners of the private investment partnership will receive annual audited financial statements within 120 days after the end of the private investment partnership's fiscal year.

### **Investment Discretion**

Artisan accepts responsibility for management of a client account only on a discretionary basis and requires that each client enter into a written agreement granting it discretionary authority for the provision of advisory services to the client account. Artisan generally does not tailor its investment management services to the individual needs of clients. Generally, client portfolios are managed to a single model. However, a client may, with Artisan's consent, impose limited restrictions on investment in certain securities or types of securities in its account. For more detailed information concerning the limitations clients may place on Artisan's discretionary authority, please see the section of this brochure entitled "Advisory Business" above.

### **Voting Client Securities**

APLP votes proxies solicited by or with respect to the issuers of securities in which assets of a client account are invested, except as set forth below. When APLP votes a client's proxy with respect to a specific issuer, the client's economic interest as a shareholder of that issuer is APLP's primary consideration in determining how the proxy should be voted. Except as otherwise specifically instructed by a client, APLP generally does not take into account interests of other stakeholders of the issuer or interests the client may have in other capacities.

If the client has a proxy voting policy that it has delivered to APLP and has directed APLP to follow that policy without using APLP's discretion, APLP will vote proxies solicited by or with respect to the issuers of securities held in that client's account in accordance with that policy. If the client does not have or has not delivered a proxy voting policy to APLP, APLP votes proxies solicited by or with respect to the issuers of securities held in the client's account in a manner that, in the judgment of APLP, is in the best economic interests of the client as a shareholder of that issuer in accordance with the standard described above. A client may direct Artisan how to vote with respect to securities held by that client for a particular proxy solicitation by communicating its desire to do so to Artisan, provided that such desire to direct the vote is communicated sufficiently in advance of any applicable vote submission deadline.

When making proxy voting decisions, APLP generally adheres to proxy voting guidelines that set forth APLP's proxy voting positions on recurring issues and criteria for addressing non-recurring issues. APLP believes the guidelines, if followed, generally will result in the casting of votes in the economic best interests of clients as shareholders. The guidelines are based on APLP's own research and analyses and the research and analyses provided by the proxy administration and research services engaged by APLP. The guidelines are not exhaustive and do not include all potential voting issues. Because proxy issues and the circumstances of individual companies are so varied, there may be instances when APLP votes contrary to its general guidelines. In addition, due to the varying regulations, customs and practices of non-U.S. countries, APLP may vote contrary to its general guidelines in circumstances where APLP believes its guidelines would result in a vote inconsistent with local regulations, customs or practices.

In the following circumstances APLP may not vote a client's proxy:

- The client has directed APLP not to vote on its behalf.
- APLP has concluded that voting would have no identifiable economic benefit to the client as a shareholder, such as when the security is no longer held in the client's portfolio or when the value of the portfolio holding is indeterminable or insignificant.
- APLP has concluded that the costs of or disadvantages resulting from voting outweigh the economic benefits of voting. For example, in some non-U.S. jurisdictions, the sale of securities voted may be legally or practically prohibited or subject to some restriction for some period of time, usually between the record and meeting dates ("share blocking"). APLP believes that the loss of investment flexibility resulting from share blocking generally outweighs the benefit to be gained by voting. Information about share blocking is often incomplete or contradictory. For example, client custodians may effectively restrict transactions even in circumstances in which APLP believes that share blocking is not required by law. APLP relies on custodians and on its proxy service provider to identify share-blocking jurisdictions. To the extent such information is wrong, APLP could fail to vote shares that could have been voted without loss of investment flexibility, or could vote shares and then be prevented from engaging in a potentially beneficial transaction.
- APLP does not have the ability to vote shares held in a client's account. For example, in some non-U.S. jurisdictions, a sub-custodian bank (record holder) may not have the power to vote shares, or may not receive proxy ballots in a timely fashion, unless the client has fulfilled certain administrative requirements (for example, providing a power of attorney to the local sub-custodian bank), which may be imposed a single time or may be periodic. APLP does not have the ability to vote shares held in a client's account unless the client, in conjunction with the client's custodian, has fulfilled these requirements.
- The client, as of the record date, has loaned the securities to which the proxy relates. For most clients, APLP is not aware of when a security may be on loan and, in those circumstances, will not vote the shares on loan and may not be able fully to reconcile the shares held at record date with the shares actually voted. Except in those circumstances in which a client may have an obligation to do so under applicable law, APLP does not attempt to have securities on loan recalled in order to vote.

APLP has engaged a primary proxy service provider to: (i) make recommendations to APLP of proxy voting policies for adoption by APLP; (ii) perform research and make recommendations to APLP as to particular shareholder votes being solicited; (iii) perform the administrative tasks of receiving proxies and proxy statements,

marking proxies as instructed by APLP and delivering those proxies; (iv) retain proxy voting records and information; and (v) report to APLP on its activities. The primary proxy service provider does not have the authority to vote proxies except in accordance with standing or specific instructions given to it by APLP. APLP retains final authority and responsibility for the voting of proxies. In addition to the primary proxy service provider, APLP has engaged a second proxy service provider to perform research and make recommendations to APLP as to particular shareholder votes being solicited, and may engage one or more additional providers from time to time. In some instances for non-U.S. companies, there may be little or no information available on matters to be voted on. In those circumstances, APLP generally follows the recommendation of its primary proxy service provider.

APLP's proxy voting committee oversees the proxy voting process, reviews the proxy voting policy at least annually, develops the guidelines, grants authority to proxy administrators (certain APLP employees, or such other persons as may be designated by the proxy voting committee) to vote proxies in accordance with the guidelines and otherwise performs administrative services relating to proxy voting. The proxy voting committee also makes determinations as to the votes to be cast with respect to each matter: (i) for which the guidelines do not specify a particular vote and an investment team recommends a vote inconsistent with the vote recommended by APLP's primary proxy service provider; and/or (ii) for which an investment team recommends a vote that is not consistent with the guidelines. None of the members of the proxy voting committee is responsible for servicing existing clients or soliciting new clients.

APLP or its affiliates may have a relationship with an issuer that could pose a conflict of interest when voting the shares of that issuer on behalf of clients. APLP will be deemed to have a potential conflict voting proxies of an issuer if: (i) Artisan manages assets for the issuer or an affiliate of the issuer and also recommends that its other clients invest in such issuer's securities; (ii) a director, trustee or officer of the issuer or an affiliate of the issuer is a director of Artisan Funds or an associate of Artisan; (iii) Artisan or an affiliate is actively soliciting that issuer or an affiliate of the issuer as a client and the Artisan personnel who recommend, review or authorize a vote have actual knowledge of such active solicitation; (iv) a director or an executive officer of the issuer has a personal relationship with an Artisan associate who recommends, reviews or authorizes the vote; or (v) another relationship or interest of Artisan or an affiliate, or of an associate of either of them, exists that may be affected by the outcome of the proxy vote and that is deemed to represent an actual or potential conflict for the purposes of the proxy voting policy.

APLP maintains a list of issuers with which it believes it has a potential conflict voting proxies ("Identified Issuers"), and provides such list to each proxy administrator, who refers all votes for Identified Issuers to a member of the proxy voting committee. Based on the information provided by the proxy administrator and such other information as the proxy voting committee may request, the proxy voting committee member conducts an independent review of the proposed vote. If that member of the proxy voting

committee has a material relationship with or has an immediate family member with a material relationship with the Identified Issuer, such person shall recuse himself or herself from the review of the vote and identify another member of the proxy voting committee without any such relationship with the Identified Issuer to conduct the review.

APLP believes that application of its guidelines to vote client proxies should, in most cases, adequately address any possible conflicts of interest since the guidelines are pre-determined. However, in the event an actual or potential conflict of interest has been identified, the proxy voting committee member may instruct the proxy administrator to vote proxies in accordance with the recommendations of the secondary proxy service provider, provided that the secondary proxy service provider provides research and analysis with respect to the issuer in question and the proxy voting committee has reason to believe the secondary proxy service provider is independent of the issuer. Such belief may be based upon a written certification provided to APLP by the secondary proxy service provider or any other source the proxy voting committee deems reliable. In the event the secondary proxy service provider does not provide research and analysis with respect to the issuer in question or the proxy voting committee has reason to believe the secondary proxy service provider is not independent of such issuer, a member of the proxy voting committee may instruct the proxy administrator to vote proxies in accordance with the recommendations of the primary proxy service provider, provided that the primary proxy service provider provides research and analysis with respect to the issuer in question and the proxy voting committee has reason to believe the primary proxy service provider is independent of the issuer. If neither the secondary nor primary proxy service provider meets those requirements, the proxy voting committee shall meet and consider what course of action will be in the best economic interests of Artisan's clients, consistent with its obligations under applicable proxy voting rules.

APLP prepares reconciliations periodically by which it compares (a) the number of shares voted by the primary proxy service provider with the settlement date holdings of Artisan's clients as of a record date and (b) the votes cast with APLP's standing and specific voting instructions. Each client's account is the subject of such a comparison for at least one quarter annually, except for the accounts of registered investment companies, the accounts of which are the subject of such a comparison each quarter. In addition, at least one-fourth of accounts in each investment strategy are the subject of such a comparison for each quarter. Because holdings in accounts in a single investment strategy are voted uniformly (except to the extent a client instructs otherwise), reconciling a sample of accounts generally allows identification of any issues affecting all accounts in that strategy. In many cases, particularly for clients participating in securities lending programs and clients in strategies with more active trading, full reconciliation of votes cast and shares held is not possible. However, APLP uses reasonable efforts to determine the reasons for any identified discrepancies, and if such discrepancies are due to an administrative error of the primary proxy service provider, APLP works with such provider to try to minimize the risk of such errors in the future.

APLP will provide a copy of its entire proxy voting policy and APLP's proxy voting record with respect to a client's account to that client or its representatives upon the client's request or as may be required by applicable law. APLP generally will not disclose publicly its past votes, share amounts voted or held or how it intends to vote on behalf of a client account except as may be required by applicable law or in connection with meetings with issuers' management teams, but may disclose such information to a client which itself may decide or may be required to make public such information.

APLP maintains a copy of any document generated by APLP or its agents that was integral to formulating the basis for a proxy voting decision or that memorializes the basis for a proxy voting decision for no less than seven years, the first two years in an appropriate office of APLP, or, if instructed by a client, for such longer period as may be mutually agreed by APLP and such client.

### **Financial Information**

Artisan does not require or solicit prepayment of investment advisory fees from its clients. Artisan is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to clients, nor has Artisan been the subject of a bankruptcy petition at any time during the past ten years.