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# Form ADV Brochure

Artisan Partners UK LLP

A R T I S A N



P A R T N E R S

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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 a certain level of skill, training or ability with respect to the provision of investment advisory services.

## ITEM 2 — MATERIAL CHANGES

Artisan Partners UK LLP (identified as “Artisan UK” in this brochure) is updating its brochure dated 29 March 2019 to reduce the standard fees for Artisan Global Equity Strategy and clarify disclosures relating to its operations. There have been no other material changes from the last annual update.

We encourage you to read the entire brochure.

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## ITEM 4 — 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 founder member, Artisan Partners Limited, a private limited company organized under the laws of England and Wales.

Artisan UK delegates investment management authority to its advisory affiliate, Artisan Partners Limited Partnership (“APLP”, and together with Artisan UK, “Artisan Partners”); however, Artisan UK remains legally responsible for general oversight of all delegated investment advisory services. Artisan UK is also registered with the United Kingdom Financial Conduct Authority (the “FCA”) and authorized by the FCA to carry on certain regulated activities in the U.K.

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 Partners Asset Management Inc. (“APAM”), a publicly traded company the Class A common stock of which is listed on the New York Stock Exchange, and also a Delaware corporation. More information concerning Artisan Partners can be found by visiting [www.artisanpartnersuk.com](http://www.artisanpartnersuk.com).

In addition to its ownership of Artisan Partners Limited, Artisan Partners Holdings LP also owns 100% of Artisan Partners Distributors LLC (“Artisan Distributors”), an SEC registered, limited purpose broker-dealer, which serves primarily as distributor of the securities of Artisan Partners Funds, Inc. (“Artisan Partners Funds”), a U.S. open-end diversified management investment company. Artisan Distributors is also authorized, on a limited basis, to sub-distribute shares of Artisan Partners Global Funds plc (“Artisan Partners Global Funds”), an open-ended investment company registered with the Central Bank of Ireland pursuant to the European UCITS Directive. Artisan Distributors may also, from time to time, privately place direct participation program securities issued by an unregistered investment fund organized and sponsored by Artisan Partners or an affiliate.

APLP serves as investment adviser to a variety of separately managed accounts, unregistered pooled investment vehicles, trustees of collective investment trusts, and to each series of Artisan Partners Funds. APLP also serves as investment adviser to each sub-fund of Artisan Partners Global Funds, an open-ended investment company registered with the Central Bank of Ireland pursuant to the European UCITS Directive. Artisan UK serves as a distributor to Artisan Partners Global Funds.

Artisan Partners’ autonomous investment teams oversee a range of investment strategies across multiple asset classes. Information on each investment team is included in the section of this brochure entitled “Methods of Analysis, Investment Strategies and Risk of Loss.”

Artisan Partners generally does not tailor its investment management services to the individual needs of clients. Generally, client portfolios in each strategy are managed to a single model, consistent with the portfolio characteristics described below. However, a client may, with Artisan Partners’ consent, impose limited restrictions on investment in certain securities or types of securities in its account. Artisan Partners’ compliance monitoring of client accounts is based on its clients’ specific investment guidelines which are made a part of each client’s written agreement with Artisan Partners. For more information, see the sub-section below entitled “Managing Divergent Investment Restrictions and Cash in Client Accounts.” Each pooled investment vehicle sponsored by Artisan Partners is managed in accordance with its investment guidelines and restrictions and is not tailored to the individualized needs of any particular fund investor, and an investment in such a vehicle does not, in and of itself, create an advisory relationship between the investor and Artisan Partners.

Artisan Partners generally accepts responsibility for management of a client account on a discretionary basis and each client enters 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 investment management and operations to APLP.

## Managing Divergent Investment Restrictions and Cash in Client Accounts

Client portfolios in each strategy generally are managed to a single model. A client's portfolio may diverge from Artisan Partners' model portfolio because of cash flows, divergent investment restrictions, limitations on specific types of investments (for example, derivatives or short selling) or certain other reasons. Cash flows may result in more or less cash in a client's account than in Artisan Partners' model portfolio, and in weightings of portfolio securities that are not aligned with the model. Client-imposed investment restrictions generally result in weightings of portfolio securities that are not aligned with Artisan Partners' model and, in some cases, more or less cash than is held in the model portfolio. Certain client-imposed restrictions or other account limitations likely will also result in a different risk profile compared to the model portfolio. For example, an account that is unable to trade options would have a different risk profile if the model portfolio uses an option. When that occurs, Artisan Partners will determine whether the restricted account should increase, decrease or maintain its position size based on the desired risk profile of the account. Artisan Partners typically rebalances a client's account to the model portfolio 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. In some instances, the investment team will select a replacement security or instrument or have a higher cash weighting when a model holding is restricted under a client's investment guidelines. The rebalancing of accounts may result in multiple transactions in the same security, including opposite-way transactions, in a short period of time. Artisan Partners believes the benefits of this approach to the management of divergent positions 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 the portfolio, Artisan Partners will generally purchase that security for the account in the open market after completion of the offering. Artisan Partners generally does not accept accounts subject to investment restrictions that Artisan Partners believes would materially adversely affect its ability to manage its other client accounts.

Divergence from Artisan Partners' model portfolio, as a result of client-imposed investment restrictions, cash flows or other reasons, will result in differences between the return achieved in a client's account and the strategy's composite return. Client accounts in which client-imposed investment restrictions are believed to have a potentially material impact on the implementation of the strategy are, based on Artisan Partners' judgment, excluded from the strategy's composite.

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 manager(s) for that strategy, working with associate portfolio managers, investment analysts, traders and/or risk managers dedicated to or supporting that investment team. Artisan Partners 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 Partners' portfolio managers are set forth in brochure supplements provided to Artisan Partners' clients and potential clients.

### Portfolio Turnover

There are no limitations on the length of time securities must be held in any strategy. The firm may, for example, sell securities within a short period of time after purchase 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 is measured at the time of purchase or at the time of initiation of a position in a strategy. Because of this, a newly-funded account may exceed those limits if market movements have caused Artisan Partners' model portfolio 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 Partners may limit exposure to individual issuers within certain of its strategies to a maximum of 5% of the assets of a portfolio, measured at market value at the time of purchase. However, if at the time of the cash inflow an issuer comprises more than 5% of the portfolio's assets due to market movement, the portfolio may purchase additional securities of that issuer to invest the cash inflow and maintain the weighting consistent with the model portfolio.

Certain strategies also have market capitalization guidelines that reference the market capitalizations (or another market capitalization metric such as weighted average market capitalization) of the companies included in a relevant benchmark index. Changes in the composition of those indexes can cause significant fluctuations in the benchmark market capitalizations, which will cause the market capitalization of a portfolio, or the securities held in a portfolio, to be larger or smaller than the market capitalization or related metric of securities within the benchmark index for a period of time following such change.

For the purpose of testing compliance with each strategy's investment restrictions, absent specific instructions to the contrary, Artisan Partners generally considers an issuer to be from a particular country as designated by its securities information vendors. However, each investment team, in its own judgment, may consider an issuer to be from a country other than the country designated by the securities information vendors. In determining the country designations of issuers, each investment team and/or Artisan Partners' vendors use a range of criteria, including 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, the location of the issuer's headquarters or other criteria, such as the source of a company's revenues. Over time, country designations may change.

Also for the purpose of testing compliance with each strategy's investment restrictions, absent specific instructions to the contrary, Artisan Partners generally assigns portfolio securities and instruments to a particular sector and industry in accordance with the sector and industry classifications as designated by its securities information vendors, which vendors may change from time to time. However, each investment team, in its own judgment, may determine that a different classification is more appropriate. Therefore, classifications may differ by strategy and investment team. In determining a security's sector or industry classification, each investment team and/or Artisan Partners' vendors use a range of criteria, including using information or classifications of other securities information vendors, the company description and/or other publicly available information. In addition, the industry classifications shown in client reports may differ from the classifications used for purposes of testing compliance with investment restrictions. Sector and industry classifications may change over time.

## Currency Transactions

Artisan Partners 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 Partners' 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 Partners typically executes foreign exchange contracts in the spot market either by transacting with various third party foreign exchange dealers or through active market trading with the capital markets (foreign exchange) desk affiliated with the client's custodial bank. Artisan Partners does not send foreign exchange transactions in connection with equity trades to a custodian for future execution without negotiating the rates associated with those trades unless it is directed to do so by the client, it is effectively required by local regulation or custom, or Artisan Partners believes the potential operational risk of a negotiated trade outweighs the potential benefits of a negotiated trade. Artisan Partners 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 Partners typically executes foreign exchange contracts in the spot market on a periodic basis 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 Partners, 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 Partners must purchase or sell currencies through a client's custodian or sub-custodian for execution in the local market, Artisan Partners 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 strategy or the price that could have been received if the transaction had been executed with a different counterparty. Artisan Partners 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. Certain clients may be restricted in their ability to execute foreign exchange transactions with certain dealers. Artisan Partners generally aggregates foreign exchange transactions on behalf of these clients with foreign exchange transactions on behalf of other clients and, as a result, clients who are otherwise unrestricted in their ability to select counterparties for foreign exchange transactions may be unable to execute trades with certain dealers.

## Significant Shareholder Reporting

From time to time, Artisan Partners is required by applicable laws, rules and regulations to file reports with an issuer and/or regulators that contain information about its clients' holdings of the issuer when the



holdings are large enough to require reporting. Those reports are often publicly available and in limited circumstances require disclosure of the client's identity and holdings.

In addition, Artisan Partners' clients can hold a position in the securities of a portfolio company that is large enough to require reporting by the client to the issuer and/or regulators under applicable laws, rules and regulations. Artisan Partners does not monitor or advise on reporting requirements for clients except when Artisan Partners acts as administrator for the entity (for example, Artisan Partners Funds and Artisan Partners Global Funds) because, among other reasons, Artisan Partners does not have an ability to properly monitor the aggregate holdings of clients and such monitoring is generally handled by each client's other service providers.

### Communications with Portfolio Company Management

Members of Artisan Partners' investment teams frequently communicate with management at companies in which the firm invests, which may include discussions of ideas about the companies' prospects or strategies. From time to time, Artisan Partners also communicates with a company's board of directors or members of a company's advisory or similar board. In some circumstances, Artisan Partners 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 an investment team's views about a particular company's business strategy.

In addition, Artisan Partners, from time to time, serves on creditors' committees, equityholders' committees or similar groups in order to protect its clients' interests as creditor or equityholder of a company. In doing so, Artisan Partners will be subject to certain obligations as a member of the committee. For example, in certain circumstances Artisan Partners may, for a period of time, be restricted or prohibited under applicable law from transacting in instruments of the subject company as a consequence of its service on the committee or group. Artisan Partners generally can resign from a committee or group but may, in some circumstances, continue to be subject to its obligations as a member of the committee or restrictions on transactions even after resignation.

### Class Actions

Artisan Partners tries to identify U.S.-style securities class 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 account managed by Artisan Partners. Artisan Partners will use reasonable efforts to notify its clients of these U.S.-style securities class actions and 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 Partners is sub-adviser), administrator or other service providers in submitting a claim. However, each client's custodian should provide the client with the required documents because the securities are held in the client's name at the custodian. The client should direct its custodian, or other service provider, as to the manner in which such matters should be handled. Unless otherwise specifically agreed with a client, Artisan Partners does not file claims for clients other than Artisan Partners Funds, Artisan Partners Global Funds and unregistered pooled investment vehicles that it sponsors (each, a "Private Fund"). Artisan Partners does not decide on behalf of a client, or recommend any decision to a client, as to whether a client should submit a claim, opt in to a lawsuit, opt out of a settlement or otherwise participate in litigation. Artisan Partners does not generally act (for itself or on behalf of clients) as plaintiff or opt-in to non-U.S. lawsuits because Artisan Partners 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 Partners 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 Partners 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 (including service as a director) with Artisan Partners or its affiliates. For example, the portfolio of Client A may hold securities issued by Client B, or issued by a company, a director of which is also a director of Artisan Partners Funds or APAM.

Transactions in securities by Artisan Partners' personnel, including personal transactions, 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."

## ITEM 5 — FEES AND COMPENSATION

Fees may be billed to clients by Artisan UK or APLP, dependent upon the Artisan Partners 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.

Artisan Partners generally receives compensation from separately-managed accounts that is calculated as a percentage of the client's assets under management. Such asset-based fees are typically billed and paid quarterly, in arrears, based on the average market value of the assets comprising the account during the calendar quarter, although Artisan Partners will consider other methods of payment and/or fee calculation at the request of a client. Clients may choose to pay such invoices from the assets of the account managed by Artisan Partners or from another source. Upon a client's request, Artisan Partners may agree to bill a client for its services in advance. If Artisan Partners 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 Partners 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.

In addition, Artisan Partners charges performance-based fees for certain strategies. Additional information on performance-based fees is included in the section of this brochure entitled "Performance-Based Fees and Side-by-Side Management."

The standard rates of fees that are charged by Artisan Partners to establish a separate account as of the date of this brochure are shown in the table below.

	Strategy	Asset Base	Annual Fee Rate
Growth Team	Global Discovery Accounts	First \$50 million	0.75%
		Assets > \$50 million	0.65%
	Global Opportunities Accounts <sup>1</sup>	First \$50 million	0.80%
		Next \$50 million	0.60%
		Assets > \$100 million	0.50%
	U.S. Mid-Cap Growth Accounts	First \$50 million	0.80%
		Next \$50 million	0.60%
		Assets > \$100 million	0.50%
	U.S. Small-Cap Growth Accounts <sup>1</sup>	All Assets	1.00%
Global Equity Team	Global Equity Accounts	First \$100 million	0.70%
		Assets > \$100 million	0.50%
	Non-U.S. Growth Accounts	First \$50 million	0.80%
		Assets > \$50 million	0.60%
	Non-U.S. Small-Mid Growth Accounts	First \$50 million	0.95%
		Assets > \$50 million	0.85%

	Strategy	Asset Base	Annual Fee Rate
U.S. Value Team	Value Equity Accounts	First \$50 million	0.70%
		Next \$100 million	0.50%
		Assets > \$150 million	0.40%
	U.S. Mid-Cap Value Accounts	First \$50 million	0.80%
		Next \$50 million	0.60%
		Assets > \$100 million	0.50%
International Value Team	Non-U.S. Value Accounts <sup>1</sup>	First \$50 million	0.80%
		Assets > \$50 million	0.60%
Global Value Team	Global Value Accounts	First \$100 million	0.80%
		Next \$100 million	0.70%
		Assets > \$200 million	0.60%
Sustainable Emerging Markets Team	Sustainable Emerging Markets Accounts	First \$100 million	0.85%
		Next \$100 million	0.75%
		Next \$100 million	0.65%
		Assets > \$300 million	0.55%
Credit Team	High Income Accounts	First \$250 million	0.55%
		Assets > \$250 million	0.50%
	Credit Opportunities Accounts	All Assets	1.00% plus 15% performance fee
Developing World Team	Developing World Accounts	First \$100 million	0.90%
		Assets > \$100 million	0.85%
Thematic Team	Thematic Accounts	All Assets	1.00%
	Thematic Long/Short Accounts	All Assets	1.00%

<sup>1</sup> Artisan Partners is generally not accepting new client relationships in the strategies indicated. From time to time, when Artisan Partners believes the strategy has capacity, it may, however, accept a new account in its discretion. Artisan Global Opportunities Strategy is open across pooled vehicles.

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

Artisan Partners sometimes negotiates other fee schedules depending on the type of account, relationship, if any, to other accounts managed by Artisan Partners, the size of the account, the level of client service required, potential growth and other factors Artisan Partners considers relevant. For example, lower fee schedules apply to certain longstanding clients and may be offered to early clients in a strategy. Lower fee schedules also apply to clients with lesser service requirements, including, for example, clients in certain implemented programs offered by consultants. Artisan Partners will negotiate an individual fee schedule with a client (and its affiliates or accounts under common control) having assets under Artisan Partners' management of approximately \$500 million or more, or anticipated by Artisan Partners to do so

within a reasonable period of time, or in connection with a sub-advisory arrangement that Artisan Partners thinks will provide it with access to a market segment to which Artisan Partners would otherwise not have access. Artisan Partners may also, with respect to certain clients, agree to reimbursements, credits or offsets relating to certain types or specified amounts of expenses.

Artisan Partners also provides sub-advisory services to pooled investment vehicles, including without limitation U.S. mutual funds, private funds, non-U.S. funds and U.S. collective trusts. The compensation Artisan Partners receives from those 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 Partners Funds and Artisan Partners Global Funds and provides investment management and certain administrative services to those funds. Artisan UK serves as a distributor for Artisan Partners Global Funds. The fees and expenses paid by each series and sub-fund of Artisan Partners Funds and Artisan Partners Global Funds, respectively, are described in their respective prospectuses and reflected in their financial statements included in reports to shareholders. For Artisan Partners Funds, Artisan Partners Global Funds and other funds sponsored by Artisan Partners, Artisan Partners agrees to reimburse certain funds to the extent that the fund's annual ordinary operating expenses exceed a specified limitation.

Artisan Partners also sponsors and serves as investment adviser to unregistered pooled investment vehicles, referred to herein as the Private Funds. The fees and expenses paid by a Private Fund are described in the Private Fund's Offering Memorandum, subscription agreement and/or other governing documents and are reflected in its audited financial statements. Artisan Partners, from time to time, agrees to reimburse a Private Fund to the extent that the Private Fund's annual ordinary operating expenses exceed a specified limitation.

Artisan Partners 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 Partners' performance reporting to clients and, except to the extent Artisan Partners and a client otherwise agree, the basis for calculating Artisan Partners' management fees. In maintaining its own books and records, Artisan Partners generally values each equity security at the closing price on the exchange or market designated by Artisan Partners or a pricing vendor as the principal exchange or market. Equity-linked securities, such as participation certificates, participation notes or access notes, are valued by referencing the underlying security. Exchange traded option contracts are valued at the mid price (average of the bid price and ask price) as provided by the pricing vendor at the close of trading on the contract's principal exchange. Exchange traded futures contracts are valued at the settlement price as provided by the pricing vendor at the close of trading on the principal exchange. Artisan Partners generally values non-exchange traded derivatives, corporate bonds, loans and other fixed income instruments using evaluations provided by approved pricing vendors. Artisan Partners has established a valuation policy for these purposes that it makes available to clients upon request. That policy describes the procedures Artisan Partners follows when market quotations are not readily available or Artisan Partners believes prices do not represent a fair value.

In addition to the management fee paid to Artisan Partners, a client that engages Artisan Partners 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 Partners). 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 Partners' practices relating to brokerage are discussed later in this brochure under the heading "Brokerage Practices." In addition, clients may pay expenses associated with non-U.S. transactions and expenses in connection with purchasing derivatives (for

example, options) or selling securities short. Depending on the strategy, clients may also pay charges incurred in connection with foreign exchange transactions. Artisan Partners' 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 Partners may from time to time invest assets of a client portfolio in shares of an investment company not managed by Artisan Partners, 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 Partners 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 Partners' management fee.

## ITEM 6 — PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Artisan Partners or its affiliates receive performance-based allocations or fees from the Private Funds. Artisan Partners also expects to receive performance-based fees from accounts in the Credit Opportunities Strategy and may receive performance-based fees for accounts in the Thematic Long/Short Strategy. In addition, Artisan Partners will, under certain circumstances, negotiate performance-based fee arrangements with other accounts.

Potential conflicts of interest may arise in the management of multiple investment strategies by a single investment team when Artisan Partners manages accounts that are charged a performance-based fee and accounts that are charged an asset-based fee because, for example, the fees earned from accounts with performance-based fees have the potential to exceed the fees earned from other accounts. In addition, the existence of performance-based fees create an incentive for Artisan Partners to make investments that are more speculative than would be the case in the absence of such performance-based fees. Although Artisan Partners may have an incentive to manage the assets of accounts with performance-based fees differently from its other accounts, Artisan Partners maintains policies and procedures and internal review processes designed to mitigate such conflicts. Please see the sections of this brochure entitled “Advisory Business” and “Brokerage Practices” for more detailed information.

An investment team may provide advice to accounts in one investment strategy that may differ from advice given to accounts in another investment strategy. If an investment team identifies a limited investment opportunity that may be suitable for more than one strategy, a strategy may not be able to take full advantage of that opportunity. There also may be circumstances when an investment team has an incentive to devote more time or resources to, or to implement different ideas in, one strategy over another. An investment team may also execute transactions for one strategy that may adversely impact the value of securities held by a different strategy or team. For example, an investment team may engage in short sales of securities of an issuer in which a client of another strategy or team also invests in the same securities long. In such a case, Artisan Partners could be seen as harming the performance of one client for the benefit of the client engaging in short sales if the short sales cause the market value of the securities to fall. Artisan Partners has in place policies and procedures that it believes are reasonably designed to identify and resolve these actual and potential conflicts of interest.

Potential conflicts may also arise when different clients invest in different parts of an issuer’s capital structure, such as when a client owns senior debt obligations of an issuer and other clients own junior tranches or equity securities of the same issuer. In such circumstances, decisions over whether to trigger an event of default, over the terms of any workout, or how to exit an investment may result in conflicts of interest. In order to minimize such conflicts, a portfolio manager may avoid certain investment opportunities and negotiations with issuers that would potentially give rise to conflicts with other Artisan Partners’ clients or Artisan Partners may enact internal procedures designed to minimize such conflicts, which could have the effect of limiting the client’s investment opportunities.

## ITEM 7 — TYPES OF CLIENTS

Artisan Partners provides investment management services to pension and profit sharing plans, corporations, trusts, endowments, foundations, charitable organizations, high net worth individuals, governmental entities, insurance companies, commingled investment vehicles, investment advisers, trustees of collective investment trusts and investment companies and similar pooled investment vehicles, and also provides administrative services to certain investment vehicles.

Artisan Partners accepts responsibility for management of a client account on a discretionary basis and each client enters into a written agreement with Artisan Partners granting it discretionary authority. In general, Artisan Partners 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 Partners expects the account(s) to grow in the future. In addition, Artisan Partners 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 Partners may in the future set a higher or lower minimum account size, depending on circumstances believed by it to be relevant.

	Strategy	Minimum Account Size
Growth Team	Global Discovery	\$50 Million
	Global Opportunities <sup>1</sup>	\$30 Million
	U.S. Mid-Cap Growth	\$50 Million
	U.S. Small-Cap Growth <sup>1</sup>	\$20 Million
Global Equity Team	Global Equity	\$30 Million
	Non-U.S. Growth	\$50 Million
	Non-U.S. Small-Mid Growth	\$30 Million
U.S. Value Team	Value Equity	\$30 Million
	U.S. Mid-Cap Value	\$30 Million
International Value Team	Non-U.S. Value <sup>1</sup>	\$30 Million
Global Value Team	Global Value	\$100 Million
Sustainable Emerging Markets Team	Sustainable Emerging Markets	\$50 Million
Credit Team	High Income	\$100 Million
	Credit Opportunities	\$150 Million
Developing World Team	Developing World	\$100 Million
Thematic Team	Thematic	\$50 Million
	Thematic Long/Short	\$50 Million



<sup>1</sup> Artisan Partners is generally not accepting new client relationships in the strategies indicated. From time to time, when Artisan Partners believes the strategy has capacity, it may, however, accept a new account in its discretion. Artisan Global Opportunities Strategy is open across pooled vehicles.

## ITEM 8 — METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Investment Teams

As explained above, Artisan Partners' autonomous investment teams oversee a range of investment strategies across multiple asset classes. Each investment team employs a fundamental research process, examining various items of financial and economic data that the investment team deems relevant. Each team operates autonomously to identify investment opportunities in order to generate strong, long-term investment performance.

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 involves risk of loss that clients should be prepared to bear. 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.

### Artisan Partners Growth Team

Artisan Partners Growth Team invests primarily in equity securities or instruments that have similar economic characteristics. The team's strategies employ a fundamental investment process used to construct diversified portfolios of growth companies. The investment team seeks to invest in companies that it believes possess franchise characteristics, are benefiting from an accelerating profit cycle and are trading at a discount to its estimate of private market value. The investment process focuses on two distinct elements – security selection and capital allocation. The investment team overlays its investment process with broad knowledge of the global economy. Artisan Partners Growth Team's investment process begins by identifying companies that possess franchise characteristics such as low cost production capability, possession of a proprietary asset, dominant market share or a defensible brand name; are benefiting from an accelerating profit cycle and are trading at a discount to the team's estimate of private market value. Artisan Partners Growth Team looks for companies that it believes are well positioned for long-term growth, which is driven by demand for their products and services at an early enough stage in their profit cycles to benefit from the increased cash flows produced by the emerging profit cycle. Based on the investment team's fundamental analysis of a company's profit cycle, it divides the portfolio into three parts. Garden<sup>SM</sup> investments are small positions in the early part of their profit cycle that may warrant more sizeable allocations as their profit cycle accelerates. Crop<sup>SM</sup> investments are positions that are being increased to a full weight because the team believes they are moving through the strongest part of their profit cycles. Harvest<sup>SM</sup> investments are positions that are being reduced as they near the investment team's estimate of full valuation or their profit cycle begins to decelerate. The investment team overlays the security selection and capital allocation elements of its investment process with a desire to invest opportunistically across the entire global economy. The team seeks broad knowledge of the global economy in order to position it to find growth wherever it occurs.

### Artisan Partners Global Equity Team

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

## Artisan Partners U.S. Value Team

Artisan Partners U.S. Value Team invests primarily in equity securities or instruments that have similar economic characteristics. The team's strategies employ a fundamental investment process used to construct diversified portfolios of companies. The investment team seeks to invest in companies that are undervalued, in solid financial condition and have attractive business economics. Artisan Partners U.S. Value Team believes that companies with these characteristics are less likely to experience eroding values over the long term compared to companies without such characteristics.

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

The team establishes dynamic buy and sell ranges for a company's securities based on its assessment of the company's intrinsic value, which is determined using multiple valuation tools, including the examination of normalized free cash flow multiples, price-to-earnings ratios, sum of the parts and M&A multiples.

## Artisan Partners International Value Team

Artisan Partners International Value Team invests primarily in equity securities or instruments that have similar economic characteristics. The team's strategies employ a fundamental investment process used to construct diversified portfolios of companies. The team seeks to invest in what it considers high quality, undervalued companies with strong balance sheets and shareholder-oriented management teams. The investment team seeks to invest in companies with strong competitive positions in their industries and histories of generating strong free cash flow and improving returns on capital, at a price that is a significant discount from the team's estimate of the intrinsic value of the business. The investment team believes these criteria help rule out businesses that may appear undervalued based on certain financial ratios but whose intrinsic values are deteriorating over time. The investment team also believes that investing in companies with strong balance sheets reduces the potential for investment losses and provides company management the ability to create stockholder value when attractive opportunities are available. The investment team's research process attempts to identify management teams with a history of building value for their stockholders.

## Artisan Partners Global Value Team

Artisan Partners Global Value Team invests primarily in equity securities or instruments that have similar economic characteristics. The team's strategies employ a fundamental investment process used to construct diversified portfolios of companies. The team seeks to invest in what it considers high quality, undervalued companies with strong balance sheets and shareholder-oriented management teams. The investment team seeks to invest in companies with strong competitive positions in their industries and histories of generating strong free cash flow and improving returns on capital, at a price that is a significant discount from the team's estimate of the intrinsic value of the business. The investment team believes these criteria help rule out businesses that may appear undervalued based on certain financial ratios but whose intrinsic values are deteriorating over time. The investment team also believes that investing in companies with strong balance sheets reduces the potential for investment losses and provides company management the ability to create stockholder value when attractive opportunities are available. The investment team's research process attempts to identify management teams with a history of building value for their stockholders.

## Artisan Partners Sustainable Emerging Markets Team

Artisan Partners Sustainable Emerging Markets Team invests primarily in equity securities or instruments that have similar economic characteristics. The team believes that, over the long term, a company's stock price is directly related to its ability to deliver sustainable earnings. Investment opportunities develop when businesses with sustainable earnings are undervalued relative to global peers and historical industry, country and regional valuations. Accordingly, the investment team seeks to invest in companies that it believes are uniquely positioned to benefit from the growth potential in emerging markets and possess a sustainable global competitive advantage. To estimate a company's sustainable earnings, the investment team uses both financial and strategic analyses. The financial analysis focuses on a company's balance sheet, income statement and statement of cash flows in order to identify historic drivers of return on equity. The strategic analysis examines a company's competitive advantages and financial strength in order to assess sustainability. This includes assessment of environmental, social and governance (ESG) considerations, via quantitative and qualitative factors. After conducting its strategic and financial analyses, the investment team incorporates company-specific and macroeconomic risks into its valuation analysis to develop a risk-adjusted target price. The team's risk-rating assessment includes a review of country-appropriate macroeconomic risk factors to which a company is exposed. Using these methods, the investment team values a business and develops a price target for a company based on its assessment of the business's sustainable earnings and risk analysis.

## Artisan Partners Credit Team

Artisan Partners Credit Team invests primarily in non-investment grade corporate bonds and secured and unsecured loans of U.S. and non-U.S. issuers. The team invests along the corporate capital structure, including, but not limited to, long and short investments in bonds, loans, equity securities and derivatives of both investment grade and non-investment grade issuers. The team seeks to invest in issuers with high quality business models that have compelling risk-adjusted return characteristics. The team's research process has four primary pillars: Business Quality, Financial Strength and Flexibility, Downside Analysis and Value Identification. In determining the business quality of a company, the team uses a variety of sources to understand the resiliency of an issuer's business model. The team analyzes the general health of the industry in which an issuer operates, the issuer's competitive position, the dynamics of industry participants, and the decision-making history of the issuer's management. The team believes that determining the financial strength and flexibility of an investment through analyzing the history and trend of free cash flow generation is critical to understanding an issuer's financial health. The financial analysis part of the investment process also considers an issuer's capital structure, refinancing options, financial covenants, amortization schedules and overall financial transparency. The team believes that credit instruments by their nature have an asymmetric risk profile. In its downside analysis, the team seeks to manage this risk with what it believes to be conservative financial projections that account for industry position, competitive dynamics and positioning within the capital structure. During the value identification part of the research process, multiple metrics are used to determine the value of an investment opportunity. The team looks for credit improvement potential, relative value within an issuer's capital structure, catalysts for business improvement and potential value stemming from market or industry dislocations.

## Artisan Partners Developing World Team

Artisan Partners Developing World Team invests primarily in equity securities or instruments that have similar economic characteristics. The team constructs a diversified portfolio that offers exposure to developing world economies generally by investing substantially in companies domiciled in or economically tied to countries that the team considers to have characteristics typical of the developing world. The team generally seeks to emphasize business value compounders, which it defines as financially sound, free cash flow generative companies with sound business models that are exposed to the growth potential of the developing world. The team may seek to mitigate currency volatility by emphasizing

investments in countries and currencies that are less dependent on foreign capital. The team believes a portfolio of companies with these characteristics will be well positioned to deliver attractive risk-adjusted returns over the long term.

### Artisan Partners Thematic Team

Artisan Partners Thematic Team invests primarily in equity securities and utilizes equity derivative instruments and short positions to help position the portfolio to deliver attractive, long-term risk-adjusted returns. The team's investment approach is based on thematic idea generation, a systematic framework for analyzing companies and proactive risk management.

The team believes a key element in alpha generation is finding areas where the team's views on industry fundamentals differ from consensus estimates. In this pursuit, the team seeks to identify inflections in multi-year trends which may be caused by changes in supply/demand dynamics, societal behavior, market conditions, technology, laws/regulations and business models, among other variables. The team believes these inflections are often misunderstood by market participants, and can lead to powerful re-ratings of industries and companies. Identifying themes helps the team develop a focused universe of companies to analyze more thoroughly. Themes are also dynamic. A single company may be relevant for multiple themes, for example, and a company's relevance to a particular theme may, on the judgment of the team, change over time. Nevertheless, selecting the right themes is a critical step in effective portfolio construction. The team then applies a systematic framework for analyzing companies across sectors and themes, creating a repeatable and methodical decision-making process. The team will also consider compelling idiosyncratic positions that are a good fit for the portfolio based on the team's rigorous fundamental analysis. The team's proprietary company models focus on multi-year earnings power differentiation, expected outcome scenario analysis, return on invested capital and discounted cash flow valuations. Visual outputs are then produced through the firm's internally developed technology solutions, allowing the team to consistently evaluate positions across the portfolio.

The team incorporates risk management into all stages of its investment process. Metrics evaluated include crowding, correlation, volatility, stress tests, liquidity, factor analysis and macro drivers, all of which inform portfolio construction and position sizing. The team also uses various instruments, such as options, in an effort to magnify alpha and minimize downside.

### Risk of Loss

Investing in securities and other financial instruments involves risks, including the risk of loss of capital that clients should be prepared to bear. Below is a summary of material risks associated with the strategies; however, a client's risks will vary based on the strategy utilized and specific investments held. The summary is not intended to be a complete list or description of the risks associated with any strategy.

**Account Consent Requirements.** Periodically, Artisan Partners will, in its judgment, determine that consent from an account is necessary to make an investment or participate in a corporate event. If Artisan Partners determines that consent is impractical due to timing or other considerations or consent is not received by an applicable due date, Artisan Partners will not have the opportunity to make the investment for that account.

**Confidential Information Risks.** From time to time, employees of Artisan Partners may receive material non-public information (referred to herein as "Confidential Information"). Employees may obtain Confidential Information, voluntarily or involuntarily, through Artisan Partners' management activities or the employee's outside activities. Confidential Information may be received under varying circumstances, including, but not limited to, upon execution of a non-disclosure agreement with an issuer, as a result of serving on a creditors' committee and through conversations with a company's management team. Under applicable law, Artisan Partners' employees are generally prohibited from disclosing or using Confidential

Information in effecting purchases and sales in public securities transactions for their personal benefit or for the benefit of any other person (including clients). Accordingly, should an employee receive Confidential Information with respect to an issuer, the employee is generally prohibited from communicating that information or using that information in public securities transactions, which could limit the ability to buy or sell certain investments even when the limitation is detrimental to Artisan Partners, the employee or the client.

Artisan Partners may seek to avoid the receipt of Confidential Information when it determines that the receipt of Confidential Information would unduly restrict investment flexibility. In circumstances when Artisan Partners declines to receive Confidential Information from an issuer, an account may be disadvantaged in comparison to other investors, including with respect to evaluating the issuer and the price the account would pay or receive when it buys or sells those investments. Further, in situations when the account is asked, for example, to grant consents, waivers or amendments with respect to such investments, Artisan Partners' ability to assess such consents, waivers and amendments may be impacted by its lack of access to Confidential Information.

Artisan Partners has adopted policies that establish an information barrier between the Credit Team and its other investment teams to minimize the likelihood that Confidential Information received by the Credit Team will be shared with another team. In addition, Artisan Partners may choose to create information barriers around other persons having access to Confidential Information ("walled-off personnel") to limit the restrictions on others at Artisan Partners. These measures are intended to limit walled-off personnel from accessing Confidential Information.

From time to time, Artisan Partners uses paid expert networks. Artisan Partners has adopted specific procedures to prevent and address the inadvertent receipt of Confidential Information from the expert networks.

**Convertible Securities Risks.** Investing in convertible securities subjects the accounts to the risks of debt, as well as 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.

**Credit Default Swap Risks.** Credit default swap agreements may involve greater risks than if an account had invested in the reference obligation directly. When an account acts as a seller of credit default swap protection, it is exposed to, among other things, leverage risk because if an event of default occurs the seller must pay the buyer up to the full notional value of the reference obligation. A buyer of credit default swap protection generally will lose its investment and recover nothing should no credit event occur and the swap is held to its termination date. Each party to a credit default swap agreement is subject to the credit risk of its counterparty (the risk that its counterparty may be unwilling or unable to perform its obligations on the swap as they come due).

**Credit Risks.** An issuer or counterparty may fail to pay its obligations when they are due. Financial strength and solvency (or the perceived financial strength or solvency) of an issuer are the primary factors influencing credit risk. Changes in the financial condition of an issuer or counterparty, changes in specific economic, social or political conditions that affect a particular type of security or other instrument or an issuer, and changes in economic, social or political conditions generally can increase the risk of default by an issuer or counterparty, which can affect a security's or other instrument's credit quality or value and an issuer's or counterparty's ability to pay interest and principal when due.

**Currency Risks.** Non-U.S. securities purchased by Artisan Partners 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, an account's performance will be affected by its direct or indirect exposure, which may include exposure through U.S. dollar denominated depositary receipts and participation certificates, to a particular currency due to favorable or unfavorable 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.

Exposure to a particular currency that Artisan Partners believes is overvalued may be hedged. 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.

**Debt Securities Risks.** The value of a debt security changes in response to various factors, including, for example, market-related factors, such as changes in interest rates or changes in the actual or perceived ability of an issuer to meet its obligations. In general, the value of a debt security may fall in response to increases in interest rates. The accounts may invest in debt securities without considering the maturity of the instrument. The value of a security with a longer duration will be more sensitive to changes in interest rates than a similar security with a shorter duration. As a result, changes in interest rates in the U.S. and outside the U.S. may affect debt investments unfavorably.

**Derivatives Risks.** Artisan Partners' use of derivatives may involve risks different from, or greater than, the risks associated with investing in more traditional investments. Investments in derivatives are subject to the risk that such investments will not perform as anticipated by Artisan Partners, cannot be closed out at a favorable time or price, or will increase volatility in an account. The use of derivatives may create investment leverage. In addition, when a derivative is used as a substitute for or alternative to a direct cash investment, the transaction may not provide a return that corresponds precisely with that of the cash investment. Derivatives may be difficult to value and highly illiquid, and there is a risk that the other party to the derivative contract will fail to make required payments or otherwise to comply with the terms of the contract.

**Emerging and Developing Markets Risks.** The risks of non-U.S. investments typically are greater in emerging, less developed and developing markets. For example, in addition to the risks associated with investment in any non-U.S. country, political, legal 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 and developing 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 and developing 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 and developing 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. Such markets may also be heavily reliant on non-U.S. capital and, therefore, vulnerable to capital flight.

Investing in emerging and developing market countries involves substantial risk due to, among other reasons, limited information; higher brokerage costs; different accounting, auditing and financial reporting standards; less developed legal systems and thinner trading markets as compared to those in developed countries; and currency blockages or transfer restrictions. The securities markets of emerging and developing market countries may be substantially smaller, less developed, less liquid and more volatile than the major securities markets in the U.S. and other developed nations. The limited size of many



securities markets in emerging and developing market countries and limited trading volume in issuers compared to the volume in U.S. securities or securities of issuers in other developed countries could cause prices to be erratic for reasons other than factors that affect the quality of the securities. In addition, emerging and developing market countries' exchanges and broker-dealers may generally be subject to less regulation than their counterparts in developed countries. Brokerage commissions and dealer mark-ups, custodial expenses and other transaction costs are generally higher in emerging and developing market countries than in developed countries, all of which can increase account operating expenses and/or negatively impact account performance.

Emerging and developing market countries may have different clearance and settlement procedures than in the U.S., and in certain markets there may be times when settlements fail to keep pace with the volume of securities transactions, making it difficult to conduct such transactions. Further, satisfactory custodial services for investment securities may not be available in some emerging and developing market countries, which may result in additional costs and delays in trading and settlement. The inability of an account to make intended security purchases due to settlement problems or the risk of intermediary or counterparty failures could cause an account to miss attractive investment opportunities. The inability to dispose of a portfolio security due to settlement problems could result either in losses to an account due to subsequent declines in the value of such portfolio security or, if the account has entered into a contract to sell the security, could result in possible liability to the purchaser.

**Growth and Value Investing Risks.** 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 that the investment team anticipated. The price of a value company's stock may never reach the level that the investment team considers its intrinsic value.

**High Portfolio Turnover Risks.** Certain strategies may engage in active and frequent trading of portfolio securities. High portfolio turnover may result in increased transaction costs to an account, including brokerage commissions, dealer mark-ups and other transaction costs on the sale of the securities and on reinvestment in other securities. The sale of portfolio securities may result in the realization of higher capital gains or losses as compared to a strategy with a less active trading strategy. These effects of higher than normal portfolio turnover may adversely affect account performance.

**High Yield Securities ("Junk Bond") Risks.** Fixed income instruments rated below investment grade, or unrated securities that are determined by Artisan Partners to be of comparable quality, are high yield, high risk bonds, commonly known as "junk bonds." These bonds are predominantly speculative. Such bonds are usually issued by companies without long track records of sales and earnings, or by companies with questionable credit strength. These bonds have a higher degree of default risk and may be less liquid than higher-rated bonds. These securities may be subject to greater price volatility due to such factors as specific corporate developments, interest rate sensitivity, negative perceptions of junk bonds generally, and less secondary market liquidity.

**Interest Rate Risks.** The values of debt instruments may fall in response to increases in interest rates. The value of a security with a longer duration will be more sensitive to changes in interest rates than a similar security with a shorter duration. Given the current low interest rate environment, risks associated with rising rates are heightened. If interest rates rise, repayments of principal on certain debt securities, including loans, may occur at a slower rate than expected and the expected length of repayment of those securities could increase as a result.

**Investing in IPOs 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. An account may hold securities purchased in an IPO for a very short period of time. As a result, the account's investments in IPOs may increase portfolio turnover, which may increase brokerage and administrative costs. At any particular time or from time to time an account may not be able to invest in securities issued in IPOs, or invest to the extent desired because, for example, only a small portion (if any) of the securities being offered in an IPO may be made available to the account. In addition, under certain market conditions a relatively small number of companies may issue securities in IPOs. Similarly, as the number of clients advised by Artisan Partners to which IPO securities are allocated increases, the number of securities issued to any one account may decrease. The investment performance of an account during periods when it is unable to invest significantly or at all in IPOs may be lower than during periods when the account is able to do so. There can be no assurance that investments in IPOs will be available to an account or improve an account's performance. IPO investments are allocated among accounts managed by Artisan Partners in accordance with Artisan Partners' trading procedures, which are explained in more detail in the section of this brochure below entitled "Brokerage Practices."

**Leverage Risks.** Certain transactions can result in leverage and may expose an account to greater risk and increased costs. These transactions can include the use of certain derivatives (for example, swap transactions and options), entering into certain loan transactions that entail an obligation by the account to extend credit in the future (for example, revolving credit facilities), and the purchase of when-issued and delayed-delivery securities. Leverage generally has the effect of increasing the amounts of loss or gain an account might realize, and creates the likelihood of greater volatility of the value of the account's investments. In transactions involving leverage, a relatively small market movement or change in another underlying indicator can lead to significantly larger losses to the account. There is generally the risk of loss in excess of invested capital. The use of leverage may result in an account liquidating portfolio positions when it may not be advantageous to do so to satisfy its contractual obligations or to meet applicable asset segregation or position coverage requirements.

**Liquidity Risks.** Liquidity risk is the risk that Artisan Partners may be unable to sell a portfolio investment at a desirable time or at the value Artisan Partners has placed on the investment. It may be more difficult for an account to determine a fair value of an illiquid investment than that of a more liquid comparable investment.

**Loan Risks.** Investments in loans are generally subject to the same risks as investments in other types of debt obligations, including, among others, the credit risk of nonpayment of principal and interest. In addition, in many cases loans are subject to the risks associated with below investment grade securities. Artisan Partners may invest in loans made in connection with highly leveraged transactions, which are subject to greater credit and liquidity risks than other types of loans. Although the senior loans in which Artisan Partners will invest may be secured by specific collateral, there can be no assurance that liquidation of such collateral would satisfy the borrower's obligation in the event of nonpayment of scheduled interest or principal, or that such collateral could be readily liquidated. In the event of the bankruptcy of a borrower, an account may experience delays or limitations with respect to its ability to realize the benefits of the collateral securing a loan or could recover nothing of what it is owed on the loan. Uncollateralized (i.e., non-secured) loans are subject to greater risk of loss (i.e., nonpayment) in the event of default than secured loans since they will not afford recourse to collateral. Investments in loans may be difficult to value and may be illiquid, including due to legal or contractual restrictions on resale. Transactions in many loans settle on a delayed basis, and an account may not receive the proceeds from the sale of a loan for a substantial period after the sale. As a result, sale proceeds related to the sale of loans may not be available to make additional investments until a substantial period after the sale of the loans. In addition, it is unclear whether certain loans and other forms of direct indebtedness offer securities law protections against fraud and misrepresentation.

**Market Risks.** Various market risks can affect the price or liquidity of an issuer's securities in which an account may invest. Returns from the securities in which an account invests may underperform returns from the various general securities markets or different asset classes. Different types of securities tend to go through cycles of outperformance and underperformance in comparison to the general securities markets. Adverse events occurring with respect to an issuer's performance or financial position can depress the value of the issuer's securities. The liquidity in a market for a particular security will affect its value and may be affected by factors relating to the issuer, as well as the depth of the market for that security. Other market risks that can affect value include a market's current attitudes about types of securities, market reactions to political or economic events, including litigation, and tax and regulatory effects (including lack of adequate regulations for a market or particular type of instrument).

Securities markets may experience periods of high volatility and reduced liquidity in response to governmental actions or intervention, economic or market developments, or other external factors. Securities may be difficult to value during such periods. These risks may be heightened for fixed income securities due to the current low interest rate environment.

Federal, state, and other governments, their regulatory agencies, or self-regulatory organizations may take actions that affect the regulation of the securities in which an account invests or the issuers of such securities in ways that are unforeseeable. Legislation or regulation also may change the way in which the accounts or Artisan Partners are regulated. Such legislation, regulation, or other government action could affect an account's performance.

Political, social or financial instability, civil unrest and acts of terrorism are other potential risks that could adversely affect an investment in a security or in markets or issuers generally.

**Non-Diversification Risks.** Certain strategies may invest a large portion of an account's assets in securities of a small number of issuers, which means a single issuer's performance will affect the account's performance more than if the account were invested in a larger number of issuers.

**Non-U.S. Investing Risks.** Non-U.S. securities as an asset class may underperform U.S. securities and may be more volatile than U.S. securities. Investments in non-U.S. securities (including, but not limited to, depositary receipts and participation certificates) and to securities of issuers with significant exposure to non-U.S. markets 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.

**Operational and Cybersecurity Risks.** Artisan Partners is heavily reliant upon internal and third party technology systems and networks to view, process, transmit and store information, including sensitive client and proprietary information, and to conduct many of its business activities and transactions with its clients, vendors/service providers (collectively, "vendors") and other third parties. Maintaining the integrity of these systems and networks is critical to the protection of its proprietary information and its clients' information. Artisan Partners relies on its (and its vendors') information and cyber security infrastructure, policies, procedures and capabilities to protect those systems and the data that reside on or are transmitted through them.

**Participation Certificates Risks.** 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. In addition, a portfolio typically has no rights under a participation certificate against the issuer of the securities underlying the participation certificate and is therefore typically unable to exercise any rights with respect to the issuer (including, without limitation, voting rights and fraud or bankruptcy claims). There is also no assurance that there will be a secondary trading market for a participation certificate or that the trading price of a participation certificate will equal the value of the underlying security.

**Private Placement and Restricted Securities Risks.** In addition to the general risks to which all securities are subject, securities acquired in a private placement generally are subject to strict restrictions on resale, and there may be no liquid secondary market or ready purchaser for such securities. Therefore, Artisan Partners may be unable to dispose of such securities when it desires to do so, or at a favorable time or price.

**Risks of Emphasizing a Region, Country, Sector or Industry.** If an account has a higher percentage of its total assets invested in a particular region, country, sector or industry, changes affecting that region, country, sector or industry may have a significant impact on the performance of the account's overall portfolio.

**Short Position Risks.** A short position may be created by borrowing an instrument from a broker or other institution and selling it to establish a short position in the instrument (otherwise known as "short selling"). Short selling involves the risks of: increased leverage, and its accompanying potential for losses; the potential inability to reacquire a security in a timely manner, or at an acceptable price; the possibility of the lender terminating the loan at any time, forcing the portfolio to close the transaction under unfavorable conditions; the additional costs that may be incurred; and the potential loss of investment flexibility caused by the obligation to provide collateral to the lender and set aside assets to cover the open position. There can be no assurance that a portfolio will be able to close out a short sale position at any particular time or at an acceptable price. A short position may also be created by entering into a derivative transaction with respect to a reference instrument. A short position may make a profit or incur a loss depending upon whether the value of the position decreases or increases, respectively, between the date the short position is established and the date the borrowed instrument is replaced or the transaction is otherwise closed out. An increase in the value of an instrument with respect to which a short position has been created will result in a loss, and there can be no assurance that the position can be closed out at any particular time or at an acceptable price. The potential loss from a short position is unlimited.

**Small and Medium-Sized Company Risks.** Securities of small and medium-sized companies tend to be more volatile and less liquid than securities of large companies. Compared to large companies, small and 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. Smaller 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 volatile security prices. During some periods, securities of small and medium-sized companies, as an asset class, have underperformed the securities of larger companies.

**Stressed and Distressed Instruments Risks.** Investments in the securities of financially stressed or distressed issuers involve substantial risks, including the risk that all or a portion of principal will not be repaid. These securities may present a substantial risk of default or may be in default at the time of investment. An account may incur additional expenses to the extent it is required to seek recovery upon a default in the payment of principal or interest on its portfolio holdings. As with any issuer, the strategy's investment team's judgments about the credit quality of a financially stressed or distressed issuer and the relative value of its securities may prove to be wrong.

**Total Return Swap Risks.** Total return swap agreements are contracts between parties in which one party agrees to make payments to the other party based on the change in the market value of a specified index, asset or basket of assets. In addition to the risk of investing in the underlying specified index, asset or basket of assets, such swap agreements pose the risk that a party will default on its payment obligations thereunder.

**Valuation Risks.** Investments are valued in accordance with Artisan Partners' valuation policies. The valuation of any investment involves inherent uncertainty. The value of a security determined in accordance with the valuation policies may differ materially from the value that could have been realized in an actual sale or transfer for a variety of reasons, including the timing of the transaction and liquidity in the market. Certain investments in which the account may invest, including, for example, high yield bonds, loans, derivatives, complex securities and thinly-traded or illiquid investments, may be more difficult to value accurately, especially during periods of market disruption or extreme market volatility.

## ITEM 9 — DISCIPLINARY INFORMATION

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

## ITEM 10 — OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The founder 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.

Artisan Partners Holdings LP also owns 100% of the ownership interests of Artisan Distributors, a registered, limited purpose broker-dealer. Artisan Distributors serves as distributor of the securities of Artisan Partners Funds and the Private Funds and as sub-distributor or placement agent to Artisan Partners Global Funds. 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 Partners’ clients.

Artisan Partners Holdings LP is also managing member of Artisan Partners Europe Holdings LLC, a limited liability company organized under the laws of Delaware. The sole function of Artisan Partners Europe Holdings LLC is to serve as the sole shareholder of APEL Financial Distribution Services Limited, which will operate under the registered trading name “Artisan Partners Europe” and is a private company limited by shares organized under the laws of Ireland. Artisan Partners Europe’s main business will be the performance of cross-border marketing and distribution in the European Union of Artisan Partners’ services and units or shares in Artisan Partners Global Funds and other funds managed by Artisan Partners.

As described above, APLP is the adviser to Artisan Partners Funds and Artisan Partners Global Funds. Certain employees of Artisan Partners serve as directors and/or officers of Artisan Partners Funds and Artisan Partners Global Funds. More information about Artisan Partners Funds and Artisan Partners Global Funds, including the list of officers and directors, investment objectives, risks, and charges and expenses, can be found in the relevant prospectus.

APLP sponsors and serves as investment adviser to unregistered pooled investment vehicles, referred to herein as the Private Funds. An affiliate of APLP acts as general partner for each Private Fund formed as a partnership, and certain employees of APLP act as directors and/or officers for each Private Fund formed as a company. The Private Funds are offered only to accredited investors and qualified purchasers. More information about the Private Funds, including investment objectives, risks, fees, charges and expenses, can be found in each Private Fund’s offering memorandum.

Artisan Partners does not believe that these affiliations create a material conflict of interest with its clients except potentially with respect to performance-based compensation from the Private Funds, which is described above in “Performance-Based Fees and Side-by-Side Management.”

## ITEM 11 — CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Artisan Partners has adopted a written Code of Ethics and Insider Trading Policy (the “Code”) that, among other things, governs the personal securities transactions of its covered persons. Covered persons are generally personnel of Artisan Partners and its affiliates and contractors of Artisan Partners. Artisan Partners 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 Partners’ 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). The Code provides that Artisan Partners’ compliance team will deny pre-approval for transactions that the compliance team believes present a conflict of interest with client transactions. 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 Partners’ compliance department quarterly or more frequently. Those reports are reviewed for conflicts, or potential conflicts, with client transactions. In addition, Artisan Partners has adopted a Gifts and Business Entertainment policy relating to the making, receipt and reporting of gifts and business entertainment. Artisan UK has also adopted a Compliance Manual as required by the FCA. 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 covered persons from knowingly purchasing from or selling to any client any security or other property except securities issued by that client, or except as approved by compliance. This section does not prohibit purchases of client products or services that are available to the general public. The Code also contains policies designed to prevent the misuse of material non-public information and to protect the confidential information of Artisan Partners’ clients. The operation of those policies and of applicable securities laws may prevent the execution of an otherwise desirable purchase or sale in a public securities transaction in a client account if Artisan Partners believes that it is or may be in possession of material non-public information regarding the issuer that would be the subject of that transaction. Accordingly, should a covered person voluntarily or involuntarily come into possession of material non-public information with respect to an issuer (for example, through conversations with a company’s management team), they typically will be prohibited from communicating such information to, or using such information for the benefit of, clients, which will limit the ability of clients to buy or sell certain investments in public securities transactions. In certain situations, Artisan Partners has established information barriers between certain of its investment teams and/or other Artisan Partners personnel that limit access to information between teams. Artisan Partners may choose to receive material non-public information and may create information barriers around persons having access to such information (“walled-off personnel”) to limit the restrictions on others at Artisan Partners. Those measures will impair the ability of teams and walled-off personnel from accessing information from others at Artisan Partners. Artisan Partners shall have no obligation or responsibility to disclose such information to, or use such information for the benefit of, any person (including clients).

Artisan Partners buys and/or sells securities for client accounts that Artisan Partners 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 a client account when such security is already held by Artisan Partners, an affiliate or a covered person or in which Artisan Partners, its affiliates, or a covered person has a financial interest. Those investments may give Artisan Partners an incentive to buy or sell a security for clients’ accounts in order to bolster the personal investment. However, Artisan Partners and its covered persons have a duty to put the interests of Artisan Partners’ clients ahead of their own personal investments, as set forth in the Code. In

addition, all personal trades by covered persons in securities also held in client accounts are reviewed by Artisan Partners' 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.

With prior written approval, Artisan Partners will allow a covered person to serve as a director of a for-profit company or will allow a covered person to take a significant or controlling interest in a for-profit company. Because of the likelihood of being in the possession of, and the heightened risk of misuse, or allegations of misuse, of material non-public information and potential conflicts of interest, Artisan Partners does not permit investment by client accounts or by covered persons in securities of any issuer of which a covered person is a director and limits or restricts investment by client accounts or by covered persons in securities of any issuer of which a covered person is a significant owner, except that the covered person who is the director or significant owner 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 or significant owner.

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

Transactions in a security on behalf of Artisan Partners, its covered persons and accounts in which Artisan Partners 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 will pay the broker the same average price for the security and pay the same brokerage commission rate. From time to time, Artisan Partners may use a proprietary account to evaluate the viability of a 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 Partners' clients, portfolio transactions generally will be aggregated by broker, where applicable, and allocated in accordance with Artisan Partners' written allocation procedures among participating accounts, including the proprietary and other accounts. Artisan Partners believes that aggregation and allocation of trades as described in its written procedures 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 Partners' trading procedures, please see the section of this brochure below entitled "Brokerage Practices."

Artisan Partners' written policies prohibit Artisan Partners and its employees from making any political or charitable contributions for the purpose of obtaining or retaining potential or existing clients. Employees are permitted to make personal political or charitable contributions in accordance with applicable law and Artisan Partners' policies. Employees are required to obtain pre-approval before they make any contributions to a political candidate, government official, political party or political action committee.



## ITEM 12 — BROKERAGE PRACTICES

Artisan Partners generally enters into discretionary arrangements with clients, pursuant to which Artisan Partners determines which securities are bought and sold for the account, the total amount of each purchase and sale, the broker-dealers to be used and the compensation, if any, to be paid to broker-dealers to effect the transactions. These determinations are generally made without prior consultation with the client. Artisan Partners' 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. In some cases, pursuant to the advisory relationship, Artisan Partners has the authority to enter into an over-the-counter derivative relationship and transaction related documentation, repurchase agreements, futures and cleared derivatives agreements, listed options agreements, prime brokerage and securities lending agreements, securities forward agreements and other brokerage and/or trading agreements in connection with the trading of certain securities or instruments.

Artisan Partners' primary objective in effecting portfolio transactions is to seek the best possible result reasonably available under the circumstances in connection with the execution of its clients' securities transactions, taking into account price, transaction costs, speed, likelihood of execution and settlement, size, nature of the order, and other relevant order execution considerations. Artisan Partners seeks to utilize those broker-dealers and execution venues that enable Artisan Partners to obtain the best possible result for execution of orders. A number of other subjective factors may enter into the decision to select a specific broker-dealer, including but not limited to the following:

- Artisan Partners' knowledge of the financial stability, reputation, integrity and operational, investment and research capabilities of the broker-dealer selected;
- the broker-dealer's willingness to commit its own capital to complete the transaction;
- the broker-dealer's ability to place difficult trades;
- the sophistication of broker-dealer's trading facilities; access provided by the broker-dealer to markets and limited investment opportunities, such as initial public offerings;
- whether executing the trade through an electronic communication network ("ECN") can provide a better combination of net price and execution; and
- Artisan Partners' knowledge of actual or apparent operational problems of any broker-dealer considered.

In addition, Artisan Partners takes into account whether the broker-dealer provides the firm with brokerage and research services (as permitted by rules and regulations) and the value of such brokerage and research services. For equity transactions, recognizing the value of the items listed above, Artisan Partners may cause a client to pay a brokerage commission in excess of that which another broker-dealer might have charged for effecting the same transaction. Artisan Partners need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost or spread.

Artisan Partners maintains and periodically updates a list of approved broker-dealers that, in Artisan Partners' judgment, generally are able to provide best possible result after taking into consideration the items noted above. Evaluations of the services provided by broker-dealers, including the reasonableness of any brokerage commissions based on the foregoing items, are made on an ongoing basis by Artisan Partners' staff while effecting portfolio transactions subject to the oversight of and review by Artisan Partners' trading oversight committee.

Artisan Partners does not consider, in selecting broker-dealers to be used in effecting securities transactions for client accounts, whether Artisan Partners or its affiliates received client referrals from the broker-dealer. As a matter of policy, Artisan Partners does not compensate a broker-dealer for any promotion or sale of shares of its mutual fund advisory clients (including Artisan Partners Funds) by

directing to the broker-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-dealer. Artisan Partners has adopted policies and procedures that are reasonably designed to prevent: (i) the persons responsible for selecting broker-dealers to effect transactions in portfolio securities (for example, trading desk personnel) from taking into account, in making those decisions, broker-dealers' promotional or sales efforts on behalf of Artisan Partners' mutual fund advisory clients; and (ii) Artisan Partners 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-dealer to pay for distribution of shares of its mutual fund advisory clients.

Transactions may also be made directly with the issuer of the security or the issuer's underwriter. In underwritten offerings, the price paid by a client may include a disclosed, fixed commission or discount retained by the underwriter or dealer.

The broker-dealers Artisan Partners uses for fixed income transactions generally do not charge stated commissions. The broker-dealers in fixed income securities make a profit through the "spread," which is the difference between the issuer's fixed income security price and the marked-up price offered to buyers (in an initial offering) or the difference between the quoted bid and ask prices (in secondary market trading).

Artisan Partners will not use brokerage or dealing commissions generated from executing transactions with counterparties on behalf of clients (known as "Client Commissions") except as set out in more detail below.

Artisan Partners uses Client Commissions to pay for Brokerage Services and Eligible Research if it determines that such items meet the criteria outlined herein, do not impair its duty to act in the best interests of clients and will reasonably assist it in providing services to clients on whose behalf orders are being executed.

"Brokerage Services" are products and services carried out on behalf of clients that are linked to the arranging and conclusion of a specific investment transaction (or series of related transactions) and provided from the point at which Artisan Partners communicates with the broker or dealer for the purposes of transmitting an order for execution, through the point at which funds or securities are delivered or credited to a client's account. A broker-dealer is a party that is involved in effecting the trade if it executes clears or settles the trade, or performs other specified functions as may be further defined in regulatory guidance.

"Eligible Research" includes research that (i) is capable of adding value to the investment or trading decisions by providing new insights that inform Artisan Partners when making such decisions about its clients' portfolios; (ii) represents original thought; (iii) has intellectual rigor; and (iv) involves analysis or manipulation of data to reach meaningful conclusions.

In addition, some products and services may have mixed uses, being used in part in the investment research process and in part for non-investment related functions. In such instances, Artisan Partners must make a reasonable allocation of the cost of the product or service according to its use, and will use its own funds to pay for part of the products and services that are not eligible to be acquired using Client Commissions, ensuring that any research is directly relevant to and assists Artisan Partners in the management of investments on behalf of clients.

## Commission Recapture Programs

Some clients participate in commission recapture programs, in which a broker-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 Partners does not recommend that its clients participate in commission recapture programs. Should a client request that Artisan Partners support its use of commission recapture programs, and Artisan Partners agrees to do so, Artisan Partners will generally determine the extent of available opportunities to direct trades to a client's recapture program as conditions warrant and only on a reasonable-efforts basis.

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

Artisan Partners periodically reviews its trading activities relative to client commission recapture goals. There can be no guarantee that any target or goal will be achieved.

## Trade Aggregation and Allocation

Artisan Partners seeks to treat all of its clients fairly when allocating investment opportunities among clients. Artisan Partners has compliance policies and procedures intended to address conflicts of interest relating to the allocation of investment opportunities, which are reviewed regularly by Artisan Partners. Allocations of aggregated trades, particularly trade orders that were only partially completed due to limited availability (for example, initial public offerings) and allocation of investment opportunities generally, could raise a potential conflict of interest. The potential conflicts between accounts in a strategy are mitigated because Artisan Partners' investment teams generally try to keep all client portfolios in a strategy invested in the same securities with approximately the same weightings (with exceptions for client-imposed restrictions and limitations). Nevertheless, investment opportunities may be allocated differently among accounts in a strategy due to the particular characteristics of an account, such as size of the account, cash position, tax status, risk tolerance and investment restrictions or for other reasons. In addition, there also may be instances where a particular security is held by, or appropriate for, more than one investment strategy ("cross holdings") due to the overlap of their investment universes; however, investment decisions for each strategy are generally made by the relevant investment team independently of investment decisions for another strategy, such that investment opportunities likely will be allocated differently among client accounts across such investment strategies.

"Same way" transactions (that is, all buys or all sells) in a security held by more than one account in a strategy are generally aggregated across all participating accounts in the strategy and same way transactions may be aggregated across accounts in different strategies when Artisan Partners considers doing so appropriate and practicable under the circumstances (for example, Artisan Partners has established certain information barriers and policies between certain of its investment teams that would make trade aggregation impracticable). 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, a trader works both trades in the market at the same time, subject to the requirements of Artisan Partners' trading 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 trader receives a buy order while a sell order is pending (or vice versa), the traders will seek to mitigate the risk of inadvertent cross trades by (i) utilizing different brokers or venues, or (ii) utilizing brokers or venues that maintain crossing prevention controls.

Artisan Partners may sell a security short even if the same security, or another security of the same issuer, is held long in another account managed by Artisan Partners. Similarly, Artisan Partners is permitted to purchase a security long even if the same security, or another security of the same issuer, is, or has been, sold short in another account managed by it. Artisan Partners could be viewed as having a potential conflict of interest if it sells short certain securities in a client account while holding the same securities long in other client accounts. Conversely, Artisan Partners could be viewed as harming the performance of its clients who hold a long position in the same security or other similar securities (e.g. securities in the same sector as the security sold short) for the benefit of its clients who are selling the security short if the short-selling transactions cause the market value of the security or similar securities to decline. Artisan Partners has in place policies and procedures that it believes are reasonably designed to identify and resolve actual and potential conflicts of interest related to short selling securities.

Waivers of Artisan Partners' allocation procedures may be made with approval in advance by one of certain designated members of Artisan Partners' management who are not part of the portfolio management process.

Certain clients have restrictions prohibiting the execution of transactions through one or more designated broker-dealers or they may maintain other restrictions or account limitations (e.g., instrument restrictions) that impact Artisan Partners' ability to aggregate a given trade. As a result, Artisan Partners 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-dealer or at a different point in time. 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 Artisan Partners clients is placed in the market. In addition, substitute transactions may be placed in a different instrument before or after the aggregated transaction (e.g., physical shares rather than options) and/or may not be placed at all. As a result, the trade or substitute 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 different returns than other clients.

Artisan Partners uses its best efforts to execute all transactions accurately and to comply with all client restrictions and directions, but errors that could impact client accounts occur from time to time. At least one member of Artisan Partners' 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 Partners may take action to return the client's account to the position it would have been in but for Artisan Partners' error, at Artisan Partners' expense.

## ITEM 13 — REVIEW OF ACCOUNTS

The Artisan Partners' portfolio manager(s) responsible for a strategy continuously reviews the securities held by clients in that strategy. Artisan Partners' 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 Artisan Partners' portfolio oversight group through a range of different methods, including, for example, automated pre-trade and post-trade testing and manual reviews. Members of Artisan Partners' investment operations team conduct a comprehensive review of each investment strategy at least quarterly. That review includes an analysis of portfolio characteristics, risk profile and performance for consistency with expectations for the stated investment strategy, policy and objective. In addition, Artisan Partners' compliance personnel are responsible for ongoing compliance oversight of Artisan Partners' investment activities.

Artisan Partners provides to clients (other than investment company clients), no less frequently than quarterly, a written report that includes a statement of all assets in the account at the end of 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. Artisan Partners will furnish any additional or supplemental reports a client may reasonably request. Investment company clients of Artisan Partners receive reports as requested by their boards or as required by relevant laws, including the Investment Company Act of 1940, as amended. Investors in the Private Funds receive regular performance updates and annual audited financial statements as well as monthly statements.

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

## ITEM 14 — CLIENT REFERRALS AND OTHER COMPENSATION

Artisan Partners 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 Partners does, however, receive certain brokerage and research services in connection with the execution of securities transactions for client accounts.

From time to time, Artisan Partners enters into agreements that compensate, directly or indirectly, a person who is not an Artisan Partners associate for client referrals only if such compensation is in compliance with applicable laws. Artisan Partners may pay cash compensation equal to a specified dollar amount or a specified percentage of the asset-based fees received by Artisan Partners from accounts obtained through the person. Any such payments will comply, as required by law, with Rule 206(4)-3 under the Investment Advisers Act of 1940. In addition, Artisan Partners from time to time pays 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.

Each Artisan Partners’ 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 Partners’ 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.

Artisan Partners, from time to time, has business relationships with organizations that are, or that are affiliated with organizations that are, investment consultants. Artisan Partners, from time to time, purchases products or services, including index data and/or investment manager performance data, from certain of those consulting firms. For example, Artisan Partners purchases index data from Russell Investments. From time to time, Artisan Partners also engages one or more of those consultants to perform consulting services with respect to specific matters relating to Artisan Partners’ business.

In addition, Artisan Partners’ marketing and client service professionals call on and occasionally entertain or make gifts (within certain limits as more fully set forth in the Gifts and Business Entertainment policy) to representatives of investment consulting firms and other intermediaries in the process of soliciting new business and providing services to existing client relationships. From time to time, Artisan Partners and/or its employees also make charitable contributions to organizations associated or affiliated with clients and/or investment consultants and other intermediaries. Those consultants provide services to clients of Artisan Partners and/or investors in the shares of investment companies to which Artisan Partners serves as investment adviser. Such services 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 Partners also provides cash or non-cash support for educational, training, marketing and other events sponsored by consulting firms.

In addition, APLP, in its capacity as investment adviser to Artisan Partners Funds and Artisan Distributors, in its capacity as distributor of the shares of Artisan Partners Funds; and Artisan UK, in its capacity as distributor of the shares of Artisan Partners Global Funds, have relationships with certain banks, broker-dealers, and benefit plan recordkeepers through which shares of Artisan Partners Funds or Artisan Partners Global Funds are made available for purchase by investors. (For ease of reference, in this paragraph Artisan Partners Funds and Artisan Partners Global Funds are referred to collectively as the “Funds”) Certain of those parties are engaged in, or have affiliates engaged in, the business of providing investment consulting services. Artisan Partners generally pays a fee for the marketing and distribution services provided by such parties in connection with the sale of shares of the Funds, which is typically a percentage of the value of the shares of the Funds held by investors through investment accounts with such parties.

These fee arrangements may create an incentive for such parties to promote or recommend the Funds. Artisan Partners also occasionally provides business entertainment or makes gifts (within certain limits as more fully set forth in the Gifts and Business Entertainment policy) to representatives of those organizations, and provides cash or non-cash support for educational, training, marketing and other events. These banks, broker-dealers, and benefit plan recordkeepers, as nominee or otherwise for the benefit of their clients, hold shares of the Funds, the redemption of which could have an adverse effect on the Funds and/or Artisan Partners.

From time to time, investors are introduced to a Private Fund by the Private Fund's prime broker or another broker. Because an increase in the size of a Private Fund would likely result in additional compensation to the introducing broker, the broker receives a benefit from such introductions.

## ITEM 15 — CUSTODY

Artisan Partners does not maintain custody of client funds or securities and, except with respect to Private Funds, will seek to take the actions necessary to avoid being deemed to have inadvertent custody of client funds and securities. For example, Artisan Partners limits its authority in investment management agreements to trading activity. In addition, Artisan Partners maintains an authorized signers list granting limited authority to certain employees to provide trading and settlement-related instructions, which is provided to custodians. Notwithstanding anything in a client's agreement with a custodian or other service provider that purports to give Artisan Partners powers that may be construed as custody over such client's assets, Artisan Partners expressly disclaims any such authority.

Artisan Partners generally has no involvement in the process by which a separate account client selects its custodian and no involvement in a client's negotiation of its custodial arrangements. Clients are therefore responsible for independently arranging for all custodial services, including negotiating custody agreements and fees. 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.

Although Artisan UK does not maintain custody of client funds or securities, APLP and certain affiliates are deemed to have custody of the Private Funds' funds and securities pursuant to the Custody Rule under the Investment Advisers Act of 1940. Investors in the Private Funds will receive annual audited financial statements, which should be reviewed carefully. If investors in the Private Funds do not receive audited financial statements in a timely manner (generally within 120 days of the Private Fund's fiscal year end), then they should contact Artisan Partners immediately.

As a provision of the investment management agreements entered into between Artisan Partners and its clients, Artisan Partners agrees to provide clients with periodic account statements, typically on a monthly basis, reflecting the activity that has occurred within the account during the period. Artisan Partners encourages its clients to compare the periodic statements they receive from Artisan Partners to the applicable statements they receive from their qualified custodians.



## ITEM 16 — INVESTMENT DISCRETION

Artisan Partners generally accepts responsibility for management of a client account on a discretionary basis and each client enters into a written agreement with Artisan Partners granting it discretionary authority for the provision of advisory services to the client account. Artisan Partners generally does not tailor its investment management services to the individual needs of clients. Client portfolios in each strategy generally are managed to a single model; however, a client may, with Artisan Partners' 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 Partners' discretionary authority, please see the section of this brochure entitled "Advisory Business" above.

## ITEM 17 — VOTING CLIENT SECURITIES

Artisan Partners 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 Artisan Partners votes a client's proxy with respect to a specific issuer, the client's economic interest as a shareholder of that issuer is Artisan Partners' primary consideration in determining how the proxy should be voted. Except as otherwise specifically instructed by a client, Artisan Partners generally does not take into account interests of other stakeholders of the issuer or interests the client may have in other capacities.

If a client has directed Artisan Partners to vote proxies solicited by or with respect to the issuers of securities held in the client's account, Artisan Partners votes in a manner that, in the judgment of Artisan Partners, is in the best economic interests of the client as a shareholder of that issuer. A client may direct Artisan Partners 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 Partners, provided that such desire to direct the vote is communicated sufficiently in advance of any applicable vote submission deadline.

When making proxy voting decisions, Artisan Partners generally adheres to proxy voting guidelines that set forth Artisan Partners' proxy voting positions on recurring issues and criteria for addressing non-recurring issues. Artisan Partners 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 Artisan Partners' own research and analyses and the research and analyses provided by the proxy administration and research services engaged by Artisan Partners. 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 Artisan Partners votes contrary to its general guidelines. In addition, due to the varying regulations, customs and practices of non-U.S. countries, Artisan Partners may vote contrary to its general guidelines in circumstances where it believes its guidelines would result in a vote inconsistent with local regulations, customs or practices.

In the following circumstances Artisan Partners typically will not vote a client's proxy:

- The client has directed Artisan Partners not to vote on its behalf.
- Artisan Partners 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.
- Artisan Partners 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 restrictions for some period of time, usually between the record and meeting dates ("share blocking"). Artisan Partners 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 Artisan Partners believes that share blocking is not required by law. Artisan Partners relies on custodians and on its proxy service provider to identify share blocking jurisdictions. To the extent such information is wrong, Artisan Partners 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.
- Artisan Partners 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. Artisan Partners 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, Artisan Partners 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 to fully 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, Artisan Partners does not attempt to have securities on loan recalled in order to vote.

Artisan Partners has engaged a primary proxy service provider to (i) make recommendations to Artisan Partners of proxy voting policies for adoption by Artisan Partners; (ii) perform research and make recommendations to Artisan Partners as to particular shareholder votes being solicited; (iii) perform the administrative tasks of receiving proxies and proxy statements, marking proxies as instructed by Artisan Partners and delivering those proxies; (iv) retain proxy voting records and information; and (v) report to Artisan Partners 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 Artisan Partners. Artisan Partners retains final authority and fiduciary responsibility for the voting of proxies. In addition to the primary proxy service provider, Artisan Partners has engaged a second proxy service provider to perform research and make recommendations to Artisan Partners 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, Artisan Partners generally follows the recommendation of its primary proxy service provider.

Artisan Partners' proxy voting committee oversees the proxy voting process, reviews the proxy voting policy at least annually, develops the guidelines and grants authority to proxy administrators 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 certain votes to be cast, including with respect to each matter where there is an actual or potential conflict of interest. None of the members of the proxy voting committee is responsible for servicing existing Artisan Partners' clients or soliciting new clients for Artisan Partners.

Artisan Partners 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. Artisan Partners will be deemed to have a potential conflict voting proxies of an issuer if: (i) Artisan Partners or an affiliate 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 Partners Funds or an employee of Artisan Partners or its affiliates; (iii) Artisan Partners or an affiliate is actively soliciting that issuer or an affiliate of the issuer as a client and the employees 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 employee who recommends, reviews or authorizes the vote; or (v) another relationship or interest of Artisan Partners or an affiliate, or of an employee 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.

Artisan Partners maintains a list of issuers with which it believes it has a potential conflict in voting proxies (the "identified issuers"). Artisan Partners' proxy voting guidelines should, in most cases, adequately address possible conflicts of interest since those guidelines are pre-determined. However, in the event an actual or potential conflict of interest has been identified, Artisan Partners will vote in accordance with Artisan Partners proxy voting guidelines on routine or corporate administrative matters, and with respect to non-routine matters, Artisan Partners will generally vote in accordance with the determination made by the proxy voting committee, which will consider the investment team's recommended vote, any analysis

available from the proxy service provider(s) and whether the proxy service provider(s) has a relationship with the issuer that could present a conflict of interest, the consistency of those recommendations with the proxy voting guidelines and any identified conflict of interest. Artisan Partners may vote in accordance with the recommendations of a proxy service provider, provided that such service provider provides research and analysis with respect to the issuer in question and the proxy voting committee has reason to believe the service provider is independent of the issuer. If the service provider does not meet those requirements, the proxy voting committee shall consider what course of action will serve the interests of Artisan Partners' clients consistent with Artisan Partners' obligations under applicable proxy voting rules.

Artisan Partners has a process in place to review that proxy ballots were voted in accordance with its voting instructions and the proxy voting policy.

Artisan Partners will provide a copy of its entire proxy voting policy and Artisan Partners' 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. Artisan Partners 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.

Clients that have not granted Artisan Partners voting authority over securities held in their accounts will receive their proxies in accordance with the arrangements they have made with their other service providers. Artisan Partners generally does not provide proxy voting recommendations to those clients.

## ITEM 18 — FINANCIAL INFORMATION

Artisan UK does not require or solicit prepayment of investment advisory fees from its clients. Artisan UK 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 UK been the subject of a bankruptcy petition at any time since its inception.