

Artisan Partners Asset Management Inc.
Form 424B5
March 05, 2015
Table of Contents

Filed Pursuant to Rule 424(b)(5)
Registration Statement No. 333-195025

Prospectus Supplement to the Prospectus dated April 3, 2014

3,831,550 Shares

Class A Common Stock

This prospectus supplement relates to 3,831,550 shares of Class A common stock of Artisan Partners Asset Management Inc. that we are selling. We intend to use all of the proceeds of this offering to purchase 3,831,550 common units of Artisan Partners Holdings LP, our direct subsidiary, from certain of the limited partners of Artisan Partners Holdings, including certain of our executive officers and employees and Artisan Investment Corporation, an entity controlled by the current Chairman of our board of directors.

Our Class A common stock is listed on the New York Stock Exchange under the ticker symbol APAM . On March 3, 2015, the last reported sale price of our Class A common stock was \$48.12 per share.

You should carefully read this prospectus supplement and the accompanying prospectus, together with the documents incorporated by reference, before you invest in our Class A common stock.

Investing in our securities involves risks. See Risk Factors beginning on page 13 of our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference in this prospectus supplement and the accompanying prospectus, to read about factors you should consider before buying shares of our Class A common stock.

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

Citigroup has agreed to purchase the shares of Class A common stock from us at a price of \$46.08 per share, which will result in \$176,557,824 of total proceeds to us. Citigroup may offer the shares of Class A common stock from time to time for sale in one or more transactions on the New York Stock Exchange, in the over-the-counter market, through negotiated transactions or otherwise at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices, subject to its right to reject any order in whole or in part. See Underwriting .

We have agreed to reimburse the underwriter for certain expenses in connection with this offering. See Underwriting .

Citigroup expects to deliver the shares of Class A common stock against payment in New York, New York on or about March 9, 2015.

Citigroup

Prospectus Supplement dated March 3, 2015

Table of Contents**TABLE OF CONTENTS****Prospectus Supplement**

	Page
<u>About This Prospectus Supplement</u>	S-1
<u>Summary</u>	S-2
<u>The Offering</u>	S-4
<u>Use of Proceeds</u>	S-6
<u>Price Range of Our Class A Common Stock</u>	S-7
<u>Security Ownership of Certain Beneficial Owners and Management</u>	S-8
<u>Shares Eligible for Future Sale</u>	S-12
<u>Underwriting</u>	S-13
<u>Validity of Class A Common Stock</u>	S-18
<u>Experts</u>	S-18
<u>Where You Can Find More Information</u>	S-19
<u>Incorporation of Certain Information by Reference</u>	S-19

Prospectus

<u>About This Prospectus</u>	1
<u>Where You Can Find More Information</u>	1
<u>Incorporation of Certain Information by Reference</u>	2
<u>Disclosure Regarding Forward-Looking Statements</u>	3
<u>Artisan Partners Asset Management</u>	4
<u>Description of Capital Stock</u>	7
<u>Use of Proceeds</u>	15
<u>Material U.S. Federal Tax Considerations for Non-U.S. Holders of Our Class A Common Stock</u>	16
<u>Unaudited Pro Forma Consolidated Financial Information</u>	19
<u>Management</u>	29
<u>Relationships and Related Party Transactions</u>	48
<u>Selling Stockholders</u>	57
<u>Principal Stockholders</u>	58
<u>Plan of Distribution</u>	62
<u>Validity of Class A Common Stock</u>	64
<u>Experts</u>	64

We are responsible for the information contained in this prospectus supplement, the accompanying prospectus, the documents incorporated by reference in this prospectus supplement and the accompanying prospectus as described under Where You Can Find More Information, and in any free writing prospectus we may authorize to be delivered to you. We have not, and the underwriter has not, authorized anyone to give you any other information, and take no responsibility for any other information or representations that others may give you. This prospectus supplement, the accompanying prospectus and any such free writing prospectus may be used only for the purposes for which they have been published, and no person has been authorized to give any information not contained in or incorporated by reference into this prospectus supplement and the accompanying prospectus or any such free writing prospectus. If you receive any other information, you should not rely on it. This prospectus supplement is an offer to sell only the

shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. We are not, and the underwriter is not, making an offer to sell these shares in any jurisdiction where the offer or sale is not permitted. You should not assume that the information contained in or incorporated by reference into this prospectus supplement is accurate as of any date other than the date on the cover page of this prospectus supplement. Our business, financial conditions, results of operations and prospects may have changed since that date. You should read carefully the entire prospectus supplement, the accompanying prospectus and any free writing prospectus, as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, before making an investment decision.

Table of Contents

Except where the context requires otherwise, in this prospectus supplement:

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

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

Table of Contents

ABOUT THIS PROSPECTUS SUPPLEMENT

This prospectus supplement supplements the accompanying prospectus, dated April 3, 2014. If information varies between this prospectus supplement and the accompanying prospectus, you should rely on the information in this prospectus supplement. You should read both this prospectus supplement and the accompanying prospectus together with the additional information described under **Where You Can Find More Information** .

S-1

Table of Contents

SUMMARY

The following information should be read together with the information contained in or incorporated by reference in other parts of this prospectus supplement and in the accompanying prospectus. This summary does not contain all of the information that you should consider before deciding to invest in our Class A common stock. You should read this entire prospectus supplement and the accompanying prospectus, as well as the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, carefully before deciding to invest in our Class A common stock.

We are an investment management firm that provides a broad range of U.S., non-U.S. and global investment strategies. We are a holding company and our assets principally consist of our ownership of partnership units of Artisan Partners Holdings, deferred tax assets and cash. As the sole general partner of Artisan Partners Holdings, we operate and control all of its business and affairs, subject to certain voting rights of its limited partners. We conduct all of our business activities through operating subsidiaries of Artisan Partners Holdings. Net profits and net losses are allocated based on the ownership of partnership units of Artisan Partners Holdings. See **Business Our Structure and Reorganization** included in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, for additional information about our organizational structure.

The diagram below depicts our organizational structure immediately after the consummation of this offering and the application of the proceeds as described below under **Use of Proceeds** :

- (1) Our employees to whom we have granted equity have entered into a Stockholders Agreement with respect to all shares of our common stock they have acquired from us and any shares they may acquire from us in

Table of Contents

the future, pursuant to which they granted an irrevocable voting proxy to a Stockholders Committee currently consisting of Eric R. Colson (our Chief Executive Officer), Charles J. Daley (our Chief Financial Officer) and Gregory K. Ramirez (our Senior Vice President). The Stockholders Committee, by vote of a majority of the members, will determine the vote of all of the shares subject to the Stockholders Agreement. In addition to owning all of the shares of our Class B common stock, our employees will own unvested restricted shares of our Class A common stock representing approximately 8% of our outstanding Class A common stock (and 2% of the voting rights in us) following the completion of this offering. See Certain Relationships and Related Transactions, and Director Independence Transactions in Connection with our IPO Stockholders Agreement included in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, for additional information about the Stockholders Agreement.

- (2) Each share of Class B common stock initially entitles its holder to five votes per share. The Stockholders Committee holds an irrevocable proxy to vote the shares of our common stock held by the Class B common stockholders.
- (3) Each class of common units generally entitles its holders to the same economic and voting rights in Artisan Partners Holdings as each other class of common units, except that the Class E common units have no voting rights except as required by law.

Table of Contents

THE OFFERING

<p>Class A common stock offered by us</p>	<p>3,831,550 shares of Class A common stock</p>
<p>Class A common stock to be outstanding immediately after this offering and the application of the proceeds as described below under Use of proceeds</p>	<p>38,608,121 shares of Class A common stock. If all limited partnership units of Artisan Partners Holdings (other than those held by us) were exchanged for shares of our Class A common stock immediately after the consummation of this offering and the application of the proceeds as described below under Use of proceeds, 73,458,242 shares of Class A common stock would be outstanding immediately after this offering.</p>
<p>Class B common stock to be outstanding immediately after this offering and the application of the proceeds as described below under Use of proceeds</p>	<p>18,756,298 shares of Class B common stock. Shares of our Class B common stock have voting but no economic rights (including no rights to dividends or distributions upon liquidation) and are held by our employee-partners in an amount equal to the number of Class B common units of Artisan Partners Holdings held by them.</p>
<p>Class C common stock to be outstanding immediately after this offering and the application of the proceeds as described below under Use of proceeds</p>	<p>16,093,823 shares of Class C common stock. Shares of our Class C common stock have voting but no economic rights (including no rights to dividends or distributions upon liquidation) and are held by Artisan Investment Corporation (AIC) (an entity controlled by Andrew A. Ziegler (the current Chairman of our board of directors) and Carlene M. Ziegler, who are married to each other, and through which Mr. Ziegler and Mrs. Ziegler maintain their ownership interests in Artisan Partners Holdings), our initial outside investors and former employee-partners in an amount equal to the number of Class D common units, Class A common units and Class E common units, respectively, of Artisan Partners Holdings held by each of them.</p>

(1) The number of shares of our Class A common stock to be outstanding immediately after the consummation of this offering excludes 11,311,167 shares of Class A common stock reserved and available for issuance under our equity compensation plans.

Table of Contents

Use of proceeds

The total proceeds (before expenses) from the sale of shares of our Class A common stock by us in this offering will be approximately \$176.6 million.

We intend to use the proceeds from this offering to purchase 3,831,550 common units from certain of the limited partners of Artisan Partners Holdings, including certain of our executive officers and employees and AIC. We will not retain any of the proceeds from the sale of shares of Class A common stock in this offering.

Of the proceeds from this offering, \$64.2 million will be used to purchase common units from our executive officers and AIC and \$112.4 million will be used to purchase common units from other common unit holders. See Security Ownership of Certain Beneficial Owners and Management for information regarding the proceeds of this offering that will be paid to certain of our executive officers and AIC.

As a result of the purchase of the common units, pursuant to the terms of the tax receivable agreement we have entered into with the holders of such units, we expect to incur payment obligations to such selling holders over the 15-year period from the date of this offering. See Certain Relationships and Related Transactions, and Director Independence Transactions in Connection with our IPO Tax Receivable Agreements included in our Annual Report on Form 10-K for the year ended December 31, 2014, which is incorporated by reference into this prospectus supplement and the accompanying prospectus, for additional information about the tax receivable agreement, including information about our estimated payment obligation in the event of the purchase, redemption or exchange of all outstanding partnership units, which estimate assumed the purchase, redemption or exchange of the common units purchased in connection with this offering.

New York Stock Exchange symbol

APAM

Table of Contents

USE OF PROCEEDS

The total proceeds (before expenses) from the sale of shares of our Class A common stock by us in this offering will be approximately \$176.6 million. We intend to use all of the proceeds to purchase 3,831,550 common units of Artisan Partners Holdings from certain limited partners of Artisan Partners Holdings, including certain of our executive officers and employees and AIC, an entity controlled by the current Chairman of our board of directors. We will not retain any proceeds from the sale of shares of Class A common stock pursuant to this prospectus supplement.

Of the proceeds from this offering, \$64.2 million will be used to purchase common units from certain of our executive officers and AIC and \$112.4 million will be used to purchase common units from other common unit holders. See Security Ownership of Certain Beneficial Owners and Management for information regarding the proceeds of this offering that will be paid to certain of our executive officers and AIC.

Table of Contents**PRICE RANGE OF OUR CLASS A COMMON STOCK**

Shares of our Class A common stock have been listed and traded on the New York Stock Exchange (NYSE) under the symbol APAM since March 7, 2013. The following table sets forth, for the periods indicated, the high and low intra-day sale prices in dollars on the NYSE for our Class A common stock and the dividends per share we declared with respect to the periods indicated.

	High	Low	Dividends Declared
March 7, 2013 through March 31, 2013	\$ 41.89	\$ 35.14	\$
For the quarter ended June 30, 2013	\$ 56.07	\$ 36.87	\$
For the quarter ended September 30, 2013	\$ 55.56	\$ 46.02	\$ 0.43
For the quarter ended December 31, 2013	\$ 66.01	\$ 51.25	\$ 0.43
For the quarter ended March 31, 2014	\$ 71.86	\$ 57.50	\$ 2.18
For the quarter ending June 30, 2014	\$ 65.65	\$ 51.72	\$ 0.55
For the quarter ending September 30, 2014	\$ 57.62	\$ 50.66	\$ 0.55
For the quarter ending December 31, 2014	\$ 53.12	\$ 44.86	\$ 0.55
For the quarter ending March 31, 2015 (through March 3, 2015)	\$ 50.93	\$ 44.34	\$ 1.55

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

On March 3, 2015, the last reported sale price for our Class A common stock on the NYSE was \$48.12 per share. As of March 2, 2015, there were 103 stockholders of record of our Class A common stock, 45 stockholders of record of our Class B common stock and 33 stockholders of record of our Class C common stock. These figures do not reflect the beneficial ownership or shares held in nominee name, nor do they include holders of any restricted stock units.

Table of Contents

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our capital stock as of March 2, 2015 for:

each person known by us to beneficially own more than 5% of any class of our outstanding shares;

each of our named executive officers;

each of our directors; and

all of our named executive officers and directors as a group.

The number of shares of our capital stock outstanding and percentage of beneficial ownership after the offering set forth below reflect the application of the proceeds of this offering to purchase 3,831,550 common units of Artisan Partners Holdings (and the corresponding cancellation of 2,415,253 shares of our Class B common stock and 1,416,297 shares of our Class C common stock), including from certain of the persons listed below.

Each share of our Class A common stock and Class C common stock is entitled to one vote per share. Each share of Class B common stock initially entitles its holder to five votes per share. The number of votes per share of Class B common stock will decrease from five to one when holders of Class B common stock collectively hold less than 20% of the aggregate number of outstanding shares of common stock. As of March 2, 2015, the holders of Class B common stock collectively held approximately 32% of the aggregate number of outstanding shares of common stock. After the consummation of this offering, the holders of Class B common stock collectively will hold approximately 29% of the aggregate number of outstanding shares of common stock.

Each share of our Class C common stock corresponds to a Class A common unit, Class D common unit or Class E common unit of Artisan Partners Holdings, and each share of Class B common stock corresponds to a Class B common unit of Artisan Partners Holdings. Subject to certain restrictions, common units are exchangeable for shares of our Class A common stock on a one-for-one basis, and upon any such exchange, the corresponding shares of Class C or Class B common stock, as applicable, are cancelled.

Because we have disclosed the ownership of shares of our Class B common stock and Class C common stock (which correspond to partnership units that are exchangeable for Class A common stock), the shares of Class A common stock underlying partnership units are not separately reflected in the table below.

Applicable percentage ownership before the completion of this offering is based on 34,899,561 shares of Class A common stock (including 122,990 restricted stock units that are currently outstanding), 21,171,551 shares of Class B common stock and 17,510,120 shares of Class C common stock outstanding at March 2, 2015. The aggregate percentage of combined voting power represents voting power with respect to all shares of our common stock voting together as a single class and is based on 158,144,446 total votes attributed to 73,458,242 total shares of outstanding common stock. Applicable percentage ownership after the completion of this offering is based on 38,731,111 shares of Class A common stock (including 122,990 restricted stock units), 18,756,298 shares of Class B common stock and 16,093,823 shares of Class C common stock. The aggregate percentage of combined voting power represents voting

power with respect to all shares of our common stock voting together as a single class and is based on 148,483,434 total votes attributed to 73,458,242 total shares of common stock.

Beneficial ownership is determined in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to such securities. Except as otherwise indicated, all persons listed below have sole voting and investment power with respect to the shares beneficially owned by them, subject to applicable community property laws. Except as otherwise indicated, the address for each stockholder listed below is c/o Artisan Partners Asset Management Inc., 875 E. Wisconsin Avenue, Suite 800, Milwaukee, Wisconsin 53202.

S-8

Table of Contents

	Class A ⁽¹⁾		Before Offering Class B		Class C		Aggregate % of Combined Voting Power Before Offering	Class A ⁽¹⁾		After Offering Class B		Class C	
	No. of Shares	% of Class	No. of Shares	% of Class	No. of Shares	% of Class		No. of Shares	% of Class	No. of Shares	% of Class	No. of Shares	% of Class
nd													
rs (2)	3,289,151	9.4%	21,171,551	100%			69.0%	3,289,151	8.5%	18,756,298	100%		
	39,000	*	785,609	3.7%				39,000	*	667,768	3.6%		
(4)	18,900	*	159,215	*			*	18,900	*	135,333	*		
	13,400	*	79,864	*			*	13,400	*	79,864	*		
	17,000	*	94,464	*			*	17,000	*	94,464	*		
(5)	16,520	*	154,346	*			*	16,520	*	131,195	*		
	5,844	*			8,183,498	46.7%	5.2%	5,844	*			6,955,973	43.2%
	8,665	*			1,242,002	7.1%	*	8,665	*			1,242,002	7.7%
	3,108	*					*	3,108	*				
	30,247	*					*	30,247	*				
G.	28,872	*					*	28,872	*				
	12,165	*					*	12,165	*				
nd													
a													
)	3,383,872	9.7%	21,171,551	100%	9,425,500	53.8%	75.0%	3,383,872	8.7%	18,756,298	100%	8,197,975	50.9%
ers:													
(6)					8,183,498	46.7%	5.2%					6,955,973	43.2%
ings			4,454,425	21.0%						3,786,208	20.2%		

ity
t

		2,069,928	9.8%			2,069,928	11.0%		
803,064	2.3%	1,883,532	8.9%		803,064	2.1%	1,601,003	8.5%	
		1,738,365	8.2%			1,477,611	7.9%		
(3)		1,735,471	8.2%			1,475,151	7.9%		
tl(3)		1,734,185	8.2%			1,474,058	7.9%		
894,356	2.6%	1,564,300	7.4%		894,356	2.3%	1,329,655	7.1%	
64,140	*	1,136,548	5.4%		64,140	*	1,136,548	6.1%	
				1,330,738	7.6%	*		1,330,738	8.3%
				1,153,280	6.6%	*		1,153,280	7.2%
				1,082,314	6.2%	*		1,082,314	6.7%

k