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ADVISOR PARTNERS

SEPARATELY MANAGED ACCOUNTS

A New Blueprint for Building Client Portfolios

This brochure provides information about Advisor Partners, LLC ("AP") and AP's Separately Managed Accounts program that should be considered before participating in the Program. This information has not been approved by any government authority or regulatory body.

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ADVISOR PARTNERS LLC
www.advisorpartners.com

CREATING A COMPETITIVE EDGE

Successful advisors to the affluent investor have long known the benefits of adopting a separately managed account solution for their clients. The wealthy investor has come to expect an investment management approach that offers customization, tax efficiency and the flexibility of owning individual securities. With the convergence of technology and the growing wealth demographic, you have the opportunity to add a separate account solution to your wealth management practice.

In today's environment, advisors and their clients are rediscovering that they cannot control the market and, therefore, should address that which can be controlled. Advisor Partners offers an approach that focuses squarely on controlling risk, expenses, and taxes to maximize net return. We build equity portfolios benchmarked to a particular index, avoiding the pitfalls of making bets and assuming the undue risk and higher trading costs of active management. In addition, we seek to mitigate the impact of taxes by allowing for the possible retention of existing holdings with low cost basis, tax loss harvesting, and managing to a tax budget over time.

As an independent advisor, you are faced with an increasing amount of competition for affluent client relationships. A relationship with our firm can provide you with the ability to implement the core equity allocation of a client's portfolio with a customized, tax-managed separate account that affluent clients will find attractive and valuable.

ANDREW RUDD, PH.D., Chairman

"Successful financial advisors captivate investors with an ability to deliver peace of mind by designing and executing a long-term plan for their clients' financial goals. From our collective experience, Advisor Partners offers a breadth of knowledge together with a commitment to working with a select number of advisors to build and grow their business."

ONE SEPARATELY MANAGED ACCOUNT
for your client's core equity allocation

Advisor Partners, LLC constructs and manages custom, tax-managed, core equity portfolios for the high net worth clients of the professional investment advisor. Comprised of individual securities, each portfolio seeks to replicate the performance of an assigned index and is closely tailored to the investor's specific financial circumstances and preferences.

Our Separately Managed Account program was developed exclusively for advisors to use in serving the high net worth market. Advisors adopt the program because it delivers comprehensive benefits to their wealthiest clients and client prospects without the burden of a multi-style, multi-manager platform. As part of the usual process of allocating client assets, advisors choose our SMA for the core equity allocation—often instead of using passive index funds or exchange traded funds (ETFs). This core allocation performs the "heavy lifting" for the overall portfolio in terms of lower overall costs, active tax management, greater flexibility and customization, while seeking consistent, reliable market performance. To complement the core SMA, advisors can continue to use mutual funds, ETFs, or fund-of-funds securities for the remaining asset class allocations.

CLIENT BENEFITS

- Portfolio management tailored to each client's circumstances and preferences
- Controlled risk through index-based diversification
- Tax managed at both inception and ongoing thereafter
- A tax-aware transition that can incorporate existing holdings with unrealized gains
- Direct, transparent ownership of holdings
- Lower overall expenses relative to traditional active management solutions
- An intuitive, easily understood investment philosophy

Jim Blachman, CFA
Chief Investment Officer

"Our investment approach combines unprecedented customization with pro-active tax management tailored to each client's particular investment needs and goals."

PORTFOLIO CONSTRUCTION FOR THE AFFLUENT CLIENT

investment philosophy

Advisor Partners subscribes to the investment philosophy shared by a growing number of industry leaders that the majority of the high net worth investors' equity exposure be devoted to a tax aware, structured core which seeks to match the performance and risk characteristics of an assigned index. The goal of our Separately Managed Account is to maximize the investor's *after-tax* return through pro-active tax management. Our investment philosophy objectives are to:

Seek comprehensive market representation and mitigate portfolio risk through diversification

Customize the portfolio to the investor's particular circumstances and preferences

Maximize net return by minimizing constituent turnover, tax liability, and management costs

Control tax liability by defining and implementing an ongoing pro-active tax plan

CUSTOMIZATION

Tailored specifically to the individual, our domestic equity portfolio can encompass existing holdings, allowing for the retention or dilution of low cost basis or concentrated positions. It can custom weight, include or omit a given security, sector, capitalization or value-growth style. All relevant circumstances and preferences of each investor, such as livelihood, real estate holdings or other investments, can be considered in creating the account.

DIVERSIFICATION

We apply the investor's customization requirements to a universe of stocks representing all or part of the US domestic equity market. The result modifies the universe into a custom-weighted index unique to that investor—their Personal Benchmark. We then construct the client account to emulate the performance of that Personal Benchmark with as few as 125 stocks. We seek to match the scope and diversity of the Personal Benchmark as closely as possible given the investor's retained positions, investment restrictions, capital gains budget, and preferences toward tracking error or tax efficiency.

TAX MANAGEMENT

Our SMA is actively tax managed to a realized gain or loss budget both at inception and opportunistically thereafter based on a defined tax plan. The plan can include seeking losses within the account to offset gains from within or outside the investor's portfolio, or realizing gains to offset losses outside the portfolio. An ongoing tax plan to harvest losses and/or restrict gains is based on the investor's preference for greater tax efficiency, lower tracking error or a blend of each.

DENNIS CLARK
Chief Executive Officer

"Our separate account program offers the high net worth investor customization and tax management traditionally available only to institutions or the wealthiest investors."

PARTNERING FOR SUCCESS

experience, knowledge, focus

Advisor Partners provides professional, comprehensive, and objective investment management services to a select group of independent advisors and financial institutions. We construct custom, tax managed core equity portfolios for the high net worth clients of advisors, and we also construct model portfolios for the investment services departments of financial institutions.

We believe that the independent advisor is in the best position to service affluent investors who seek advice and help without conflict of interest. Therefore, we deliver our expertise to professional advisors who seek to attract, retain and serve that clientele. For the advisor to increase their share of this growing market segment, we offer the opportunity to leverage a valuable relationship with a trusted partner whose principals' average industry tenure exceeds two decades. Our team is capable of working with sophisticated client cases, meeting the demand for knowledgeable decision-making, and providing superior investment products. Through creativity and collaborative relationships, the professionals at Advisor Partners are committed to providing superior investment solutions for your clients.

Advisor Partners is an independently owned investment advisory firm. Financial advisors have the flexibility of positioning us as a fully disclosed separate account manager, or as a selected sub advisor where private labeling can keep the advisory firm in the foreground and Advisor Partners in the background. Every client proposal or quarterly report can bear the advisor's name and logo.

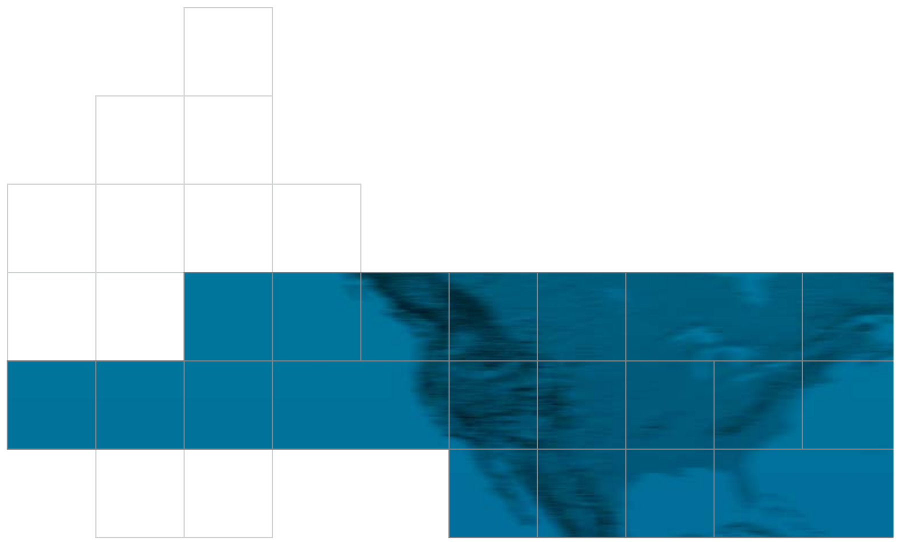
We are committed to working exclusively with the professional advisor instead of the retail investor. Advisor Partners considers each advisor relationship to be an extension of that firm's brand. As our name implies, we partner with advisors to help grow their businesses by providing investment management services that can both enhance their service offering while maintaining or improving their profit potential.

ADVISOR BENEFITS

- Attract, retain and service the largest accounts with a compelling separate account solution without disrupting your business process and investment philosophy
- Leverage an accredited investment management team with decades of experience
- Enhance your wealth management practice by offering a product that incorporates a client's individual tax situation as part of the investment process

Please contact us for pricing information, Form ADV, or additional material.

www.advisorpartners.com



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