

Item 1 - Cover Page



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This brochure provides information about the qualifications and business practices of Advisor Partners, LLC ("AP"). If you have any questions about the contents of this brochure, please contact us at (415) 477-9977 or info@advisorpartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

AP is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an adviser provide you with information about which you determine to hire or retain an adviser.

Additional information about AP also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 - Material Changes

Advisor Partners has discontinued its Managed Asset Allocation Program ("MAAP").

No other material changes to the previously filed Form ADV Part 2A dated March 1, 2017 have been made.

Item 3 - Table of Contents

Item 1 - Cover Page	i
Item 2 - Material Changes	ii
Item 3 - Table of Contents	iii
Item 4 - Advisory Business	1
Item 5 - Fees and Compensation	2
Item 6 - Performance-Based Fees and Side-By-Side Management	2
Item 7 - Types of Clients	2
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss	3
Item 9 - Disciplinary Information	5
Item 10 - Other Financial Industry Activities and Affiliations	5
Item 11 - Code of Ethics	5
Item 12 - Brokerage Practices	5
Item 13 - Review of Accounts	7
Item 14 - Client Referrals and Other Compensation	7
Item 15 - Custody	7
Item 16 - Investment Discretion	7
Item 17 - Voting Client Securities	8
Item 18 - Financial Information	9

Item 4 - Advisory Business

A. General Description of the Company

Advisor Partners, LLC (“AP”) is a California-based limited liability company established in 2001. AP provides discretionary investment advisory, subadvisory and consulting services primarily to clients of registered investment advisers (“RIA”) and financial institutions through two distinct investment programs: Separately Managed Accounts (“SMA”) and Model Portfolio Consulting (“MPC”).

B. Summary of Advisory Partners’ Services

AP invests primarily in exchange-traded equity securities, exchange-traded funds (“ETFs”), and American Depositary Receipts (“ADRs”). AP may also invest in other types of securities including, but not limited to, foreign securities and real estate investment trusts (“REIT”); collectively, “Other Investments.” The “Methods of Analysis, Investment Strategies and Risk of Loss” item in this brochure contains further information about the investments and strategies employed by AP.

Depending on the type of product selected, AP generally tailors its advisory services to the individual needs of clients. For example, SMAs are generally highly customized based upon individual investment goals and objectives mutually agreed upon between AP, the RIA, and the client of the RIA. Clients may impose restrictions, mutually agreed upon by the client, the RIA and AP, on investing in certain securities or types of securities subject to the limitations further detailed in the “Investment Discretion” item.

SMA

AP provides discretionary investment advice and management in the form of individually-managed accounts within its SMA program. AP constructs customized equity portfolios for clients of RIAs. Clients typically access AP’s SMA services through an RIA where the RIA would select AP as a subadviser; or, clients may enter into an investment management agreement directly with AP. Each equity portfolio is tailored to the client’s financial circumstances and preferences. The investments are made primarily in U.S. equity securities and ADRs and may include Other Investments. In instances where AP serves as a discretionary subadviser or as a portfolio manager in a wrap fee program, AP is fully disclosed to the client and performs under mandate from the client’s financial advisor. When AP acts a portfolio manager for a wrap fee program, AP receives a portion of the wrap fee for its services.

MPC

AP’s MPC services typically involve the construction of model portfolios used by the investment services departments of financial institutions. The models are typically benchmarked to an index incorporating screening criteria mandated by the institution. Models primarily consist of individual equity securities but may include Other Investments. AP may also provide consulting services to investment professionals, particularly registered investment advisers.

C. Amount of Assets Under Management

As disclosed in Advisor Partners’ Form ADV Part 1, as of December 31, 2017, the amount of client assets under management (“AUM”) by AP is \$611,784,300. In addition, as of December 31, 2017, approximately \$66,059,100 in assets are invested in Model Portfolios created by AP that are managed by other financial institutions. These assets are not managed by Advisor Partners and are not included in the AUM figure reported herein or on Form ADV Part 1.

Item 5 - Fees and Compensation

The typical fee schedule for the SMA Program is as follows:

<u>Assets under Management</u>	<u>Management Fee</u>
On the first \$500,000	0.60%
On the next \$1,500,000	0.40%
On the next \$8,000,000	0.30%
On amounts above \$10,000,000	0.20%

There is no set fee schedule for MPC services. Fees for MPC services may be fixed or may be based on total aggregate percentage of assets which will be invested based on AP's advice. Fees are set and payable pursuant to the consulting agreement with each client and may be waived at AP's sole discretion.

The specific manner in which fees are charged by AP is established in a client's written agreement with AP. Fees for each SMA are typically paid quarterly in advance and are equal to a percentage of the client's total assets under AP's management, and are based on the current market value of the assets at the end of the preceding quarter. The minimum quarterly fee is generally \$750 for each SMA. Fees for the SMA and MPC services are negotiable. AP may negotiate fees that are more or less than the annual rates stated above and may agree to accept fees in arrears instead of in advance. An account accepted for management by AP that is less than the asset minimum described in "Types of Clients" below may still be subject to the minimum fee. Clients may elect to be billed directly for fees or to authorize AP to debit fees from a client's custodial account.

AP's fees are also exclusive of fees charged by a client's RIA, brokerage commissions, transaction fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual Funds and ETFs also charge management, shareholder servicing and/or 12b-1 fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to AP's fee and AP does not receive any portion of these commissions, fees and costs.

A client, an RIA, or AP may terminate an advisory agreement for any reason upon effective written notice to either party. Upon termination of an account, prepaid, unearned fees will be promptly refunded if the amount exceeds \$20 (calculated on a pro-rata basis) and earned, unpaid fees will be due and payable.

Factors that AP considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions) are further described in the "Brokerage Practices" item in this brochure.

Item 6 - Performance-Based Fees and Side-By-Side Management

AP does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 - Types of Clients

AP primarily provides discretionary investment advice and management to individual clients of RIAs (generally through a subadvised relationship with the RIA). AP also provides investment advice and management to individuals, RIAs, and financial institutions.

AP generally requires a minimum of \$500,000 for each SMA account; however AP may waive these requirements at its sole discretion.

Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

AP uses a combination of qualitative and quantitative statistical analysis to build client-specific portfolios that track specific benchmarks. In managing individual accounts, AP uses a quantitative portfolio construction methodology with the objective of building a portfolio that fits the client's individual needs. The methods of analysis used by AP are unique to its SMA Program and are summarized below. Further details about AP's investment methodology may be obtained upon request.

A. SMA Program

An SMA is typically comprised of individual equity securities and ADRs. Each SMA is closely tailored to the client's specific financial circumstances and preferences. AP seeks to control risks, such as volatility and tracking error, through explicit measurement and management techniques. For example, a customized SMA may have custom individual securities weights and include or omit a given security, sector, capitalization or value-growth style. Relevant circumstances and preferences of each investor, such as livelihood, real estate holdings or other investments, can be considered in creating the account.

AP manages some SMAs that seek to closely track the performance of a benchmark index. In seeking to match the performance of an assigned index, AP typically does not invest in all constituents of the index but will rather use its judgment to select a subset of index constituents that AP believes will closely match the performance of an index. This technique is commonly referred to as "sampling."

Assigned account benchmarks can be custom designed to address the client's specific financial circumstances and preferences such as livelihood, real estate holdings or other investments. For example, a client's custom benchmark may be a re-weighted combination of commercial benchmarks with custom individual securities weights, and may include or omit a given security, sector, capitalization or value-growth style. AP uses investment research software from an unaffiliated third party to produce and test custom benchmarks as well as to analyze clients' account performance.

AP investment personnel also use portfolio optimization software in portfolio construction, provided by an unaffiliated third-party. The software incorporates a multi-factor risk model and makes portfolio transaction recommendations based upon certain factors inherent in the model and pre-defined constraints such as transaction costs, taxes, tracking error and position size. The foregoing is not a complete description of all of the inputs, factors and constraints which are considered by the model.

Common examples of customized investment strategies employed by AP's SMA clients are listed below. Due to the number of possible investment strategies that may be employed within an individual SMA, a complete list of all possible strategies available has not been provided. Additional examples may be obtained upon request.

Active Tax Indexing: While not exclusive to all SMAs managed by AP, most SMAs contain a tax-managed component. AP seeks to actively manage the taxable gains and losses 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 client's portfolio or realizing gains to offset losses outside the portfolio. The first strategy is generally achieved by "loss harvesting," identifying and selling tax lots with high cost basis. Conversely, a "gain-seeking" approach involves identifying tax lots with unrealized gains that would be most beneficial to realize according to the client's objectives.

The ongoing tax plan incorporates the client's preference to maximize tax results, more closely reproduce benchmark performance, or achieve a blend of each. Having an emphasis on maximizing tax outcome could

result in selling positions in the client's portfolio that are important to controlling tracking error. As a result, accounts emphasizing tax outcomes tend to track their benchmarks less closely than accounts that are focused on closely reproducing benchmark performance.

Thematic Beta Mandates: Some of the SMAs managed by AP are designed to diversify away from a concentrated equity risk (such as a single stock or industry) or to focus on a specific set of attributes (such as high quality dividend yielding equities or socially responsible companies). In these strategies, AP may attempt to replicate the performance of an index, while at the same time avoiding or favoring particular index constituents, sectors or style factors to achieve a diversified portfolio that reflects the client's preferences.

B. Material Risks

Investing in securities involves risk of loss that client should be prepared to bear. The following describes certain material risks involved with each significant investment strategy, method of analysis and particular types of securities. The risks listed below are not all inclusive.

Market Risk: Equity and fixed income markets rise and fall daily. As with any investment whose performance is tied to these markets, the value of an investment will fluctuate, which means that a client could lose money.

Equity Risk: The prices of equity securities rise and fall daily. These price movements may result from factors affecting individual companies, industries or the securities market as a whole. In addition, equity markets tend to move in cycles, which may cause stock prices to fall over short or extended periods of time.

Investment Style Risk: Each strategy may follow a particular type or portion of the U.S. stock market (e.g., large cap, small cap, growth, value), as measured by the index selected by the client. It follows these stocks during upturns as well as downturns. Because of its indexing strategy, AP generally does not take steps to reduce market exposure or to lessen the effects of a declining market.

Tracking Error Risk: For clients who have selected an index strategy, AP seeks to track the performance of a selected index. AP may not be successful doing this. The divergence between the performance of an account and its index, positive or negative, is called "tracking error." Tracking error can be caused by many factors and it may be significant.

ETF Risk: Shares of ETFs may trade at prices other than net asset value ("NAV"). ETF shares may be bought and sold in the secondary market at market prices. There may be times when the market price and the NAV vary significantly. AP may pay more than NAV when it buys shares of an ETF in the secondary market, and AP may receive less than NAV when it sells those shares in the secondary market.

Foreign Investment Risk: Foreign investments face the potential of heightened illiquidity, greater price volatility and adverse effects of political, regulatory, tax, currency, economic or other macroeconomic developments.

Model Risk: AP's quantitative models may not produce the results intended which may cause an investment strategy to not meet its stated objective.

Liquidity Risk: A particular investment may be difficult to purchase or sell. AP may be unable to sell illiquid securities at an advantageous time or price.

Tax-Management Strategy Risk: The tax-management strategies may alter investment decisions and affect portfolio holdings, when compared to those of non-tax managed strategies. In addition, AP may have incorrect tax basis information from a client, which could cause AP to purchase or sell securities in a way that may not maximize taxable benefits.

Item 9 - Disciplinary Information

Neither AP nor any of its employees have been involved in any legal or disciplinary events.

Item 10 - Other Financial Industry Activities and Affiliations

AP is independently-owned and operated and not affiliated with any broker-dealer or custodian. AP and its officers and directors do not maintain any material relationships or arrangements with related financial industry participants.

Item 11 - Code of Ethics

AP has adopted a Code of Ethics and Personal Securities Trading Policy ("Code") pursuant to SEC rule 204A-1 to which certain of AP's principal executive officers and employees (collectively, "Access Persons") are subject. The Code of Ethics describes AP's high standard of business conduct and fiduciary duty to clients and includes provisions relating to standards of business conduct, a prohibition on insider trading, restrictions on the acceptance of certain significant gifts and business entertainment and the reporting of such items, personal securities trading procedures and sanctions for violation of the Code, among other things. All Access Persons of AP must acknowledge the terms of the Code annually or promptly after an amendment.

AP's Access Persons are required to follow AP's Code. Subject to satisfying this policy and applicable laws, AP's Access Persons may trade for their own accounts in securities which are recommended to and/or purchased for AP's clients. The Code is designed to assure that the personal securities transactions, activities and interests of AP's Access Persons will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. In addition, the Code requires pre-clearance of many transactions, and restricts trading in certain securities at certain times. Employee trading is continually monitored under the Code in order to mitigate conflicts of interest between AP and its clients.

AP's clients and prospective clients may request a copy of the Code by contacting AP's Chief Compliance Officer at the address and telephone number on the front of this brochure.

Item 12 - Brokerage Practices

A. Selection and Ongoing Monitoring of Broker-Dealers ("BD")

Through its brokerage discretion, AP is authorized to place trades in various manners including through different BDs for most client accounts. Selection of the broker-dealer used for executing transactions is dependent on several factors driven primarily by the client choice of custodian to hold their assets. AP has relationships with many custodians. AP will inform its RIA client which custodians are available; however, the clients make the actual selection. When a client chooses a custodian that is compensated for its custodial services through trading commissions, except for very unusual circumstances, it is most cost effective to the client to trade through the custodian's broker-dealer.

The custodian/trading relationships used by AP offer competitive trading costs, electronic order execution, and competent back office support including technological links with AP's information systems.

B. Best Execution

As a fiduciary, AP has an obligation to use its best efforts to seek to obtain the best qualitative available price and most favorable execution given the circumstances with respect to all portfolio transactions placed by AP on behalf of its clients. This process is commonly referred to as “best execution.”

Unless otherwise agreed to, AP has discretion to place buy and sell orders with or through such brokers or dealers as it deems appropriate. Our general policy is to place client trades with their broker custodian (e.g., Schwab, Fidelity, etc.) as we believe, based on our reviews, the broker custodian is providing the best overall deal for the client and they remain competitive in relation to executions and the cost of each transaction.

Although AP seeks to obtain best execution for clients’ securities transactions, we are not required to solicit competitive bids and we are not obligated to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer’s services, including among other things, the services provided to clients, execution capability, commission rates, and capital strength and stability. Consistent with the foregoing, AP may not necessarily obtain the lowest possible commission rates for client transactions.

AP performs periodic evaluations of our trading practices and the broker/custodians utilized in AP’s ongoing effort to help ensure that it is fulfilling its best execution obligation.

C. Research and Other Soft Dollar Benefits

AP has not entered into any formal arrangements with a BD, such as a commission sharing arrangement or traditional soft-dollar arrangement, in which AP could cause a client to pay a higher commission (i.e., pay up) to a BD which provides brokerage and research and other services to AP on behalf of its clients. Additionally, AP has not entered into any arrangements with a BD whereby (i) AP directs a certain amount or type of brokerage to a particular BD in exchange for soft dollar benefits or (ii) AP generates credits with a particular BD in exchange for soft dollar benefits.

The following discussion is intended to provide clients with certain important information regarding soft dollar practices, including the potential conflicts of interest that arise under such arrangements. Section 28(e) of the Securities Exchange Act of 1934 (“Section 28(e)”) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to benefit from various brokerage products and services under certain circumstances without breaching their fiduciary duties to clients. For these purposes, “brokerage” services and products are those used to effect securities transactions for AP’s clients or to assist in effecting those transactions. Brokerage services obtained with soft dollars include, for example, electronic access to account information, trade order processing systems, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders, conferences and seminars. While soft dollar arrangements present a potential conflict of interest, AP has adopted written policies and procedures regarding our trading practices, including but not limited to best execution and soft dollar reviews.

D. Directed Brokerage

As disclosed above in this Item 12, AP permits clients to direct brokerage. In such cases, the client is generally responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by the BD to the client’s satisfaction with such terms and conditions. Typically, AP is unable to achieve best execution of client transactions in these situations. Furthermore, this practice may cost clients more money. Although AP may recommend that clients establish accounts with certain custodians, it is the client’s decision to establish accounts or custody assets with that BD.

E. Aggregation of Orders

Where possible and advantageous to clients, AP will seek to aggregate or “bunch” transaction orders for several clients and allocate the trades, on a fair and equitable manner, across participating accounts. AP has adopted procedures to address this practice which generally apply in instances in which securities may be appropriate for more than one client or account of AP. The procedures are designed to help assure that investment opportunities are allocated in a manner that is fair and equitable to each client and that no client or account of AP is improperly favored over any other client or account.

Item 13 - Review of Accounts

AP formally reviews client account activity, performance and positioning at least monthly. Accounts are reviewed on an ongoing basis for available cash, tax-loss harvesting opportunities and compliance with client-specific restrictions, if any. Cash, compliance and harvesting opportunities are also reviewed at least monthly. AP’s Investment Committee (“IC”) reviews the integrity of management processes each quarter comparing accounts’ results versus expectations and researching account-specific results in detail. The IC evaluates and recommends portfolio management processes in order to insure portfolio composition is consistent with each client’s investment guidelines and aligns with target asset allocations. A client account is also reviewed when a significant development concerning an investment occurs, or at any time when AP receives notice from the client or the client’s RIA that a material change has occurred with respect to the client which would impact the client’s portfolio, its investment objective or asset value.

Individual clients of AP’s SMA Program are provided with quarterly reports electronically via access to a secure website. All reports contain summary statistics including, but not limited to, inception date, current market value, percentages held in equities and cash and portfolio mandate. The portfolio mandate varies by account type. For example, each SMA has a portfolio goal (e.g., broad market, large cap) measured against a specific benchmark (e.g., S&P Composite 1500, S&P 500). Quarterly reports for individual SMA clients may include charts and/or tables detailing portfolio holdings, sector exposure, portfolio performance measured against a benchmark and net realized gains and losses.

Item 14 - Client Referrals and Other Compensation

AP does not pay or compensate any third party for client referrals.

Item 15 - Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client’s investment assets. AP urges its clients to carefully review such statements and compare such official custodial records to the account statements that AP may provide to its clients. For those clients who receive statements directly from AP, AP’s statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 - Investment Discretion

Within the SMA Program, AP is generally retained to provide discretionary advice with respect to client accounts and is authorized to make the following determinations in accordance with a client’s specific investment objectives without client consultation or consent before a transaction is effected: selection of the identity and amount of securities to be bought and sold; and the prices at which securities are to be bought or sold.

A client may specify which types of securities, or individual securities, that the client does or does not want held in an account. AP will take reasonable steps to comply with such restrictions upon effective written notification of

such restrictions. AP, at its sole discretion, may decline to open or maintain a client account if restrictions placed on the account by the client cause the account's characteristics to materially differ from other accounts invested in a similar investment strategy or if AP does not have sufficient expertise or capabilities to manage such an account. Client investment guidelines and restrictions must be provided to AP in writing.

Within the MPC program, AP generally does not accept investment discretion.

Item 17 - Voting Client Securities

A. Proxy Voting

As a fiduciary, AP owes its clients duties of care and loyalty in proxy voting. For clients who direct AP to vote proxies on their behalf, AP will monitor corporate events and vote these proxies as needed. To satisfy its duty of loyalty, AP will cast proxy votes in a manner consistent with the best interests of its client and AP will not seek to place its interests ahead of its clients.

AP has retained Institutional Shareholder Services Inc. ("ISS"), an independent third party, as proxy adviser and voting agent to assist with monitoring, researching, making voting recommendations, and voting proxies. ISS provides AP's Chief Investment Officer ("CIO") with analysis and recommendations in regard to voting proxies, according to a set of pre-determined policy guidelines. AP retains the right to vote any agenda item in a ballot in a different manner in the event that AP does not believe that an ISS recommendation is in the best interest of its clients. Once ballots have been voted, ISS provides AP with proxy voting records on an aggregated basis for AP's clients.

The CIO will monitor and resolve possible material conflicts of interest, if any, between AP and those of its clients with respect to proxy voting. Since AP's voting guidelines are predetermined by the CIO using recommendations from ISS, possible conflicts of interest should, in most instances, be adequately addressed.

Clients may obtain a copy of AP's and/or ISS's complete proxy voting policies and procedures and information about how AP voted any proxies on behalf of their account(s) upon request. Clients who authorize AP to vote proxies on their behalf may not generally direct AP's vote in a particular solicitation, except at AP's sole discretion.

For clients who have not authorized AP to vote proxies, clients will receive proxy materials directly from their custodian or transfer agent. Clients may contact AP with questions about particular solicitations at the address and telephone number on the front page of this brochure.

B. Class Action Lawsuits

From time to time, securities held in client accounts may be the subject of class action lawsuits. AP has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. AP also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, AP has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients. In the event AP receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, it will forward, to the extent practicable, all notices, proof of claim forms and other materials to the client (or client representative), unless alternative written arrangements have been mutually agreed to.

Item 18 - Financial Information

AP has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.