

**PARTNERVEST
ADVISORY SERVICES**



Partnervest Advisory Services LLC

STAR™ II

Investment Management Program



STAR II Philosophy

***Understand clients investment objectives and build
Optimal Portfolios designed to enhance returns and
reduce RISK***

- ***Investment Objectives***
- ***Risk Profiles & Time Horizon***
- ***Need for Liquid Assets***
- ***Quantitative and Qualitative Approach***



Methodology

- 1) **Risk Tolerance Questionnaire: Investment Objective + Time Horizon + Quantify Risk**
- 2) **Strategic Asset Allocation: Align our client with pre-defined portfolios**
- 3) **Tactical Asset Allocation: Takes advantage of market pricing anomalies or strong market sectors**
- 4) **Monitor and rebalance**



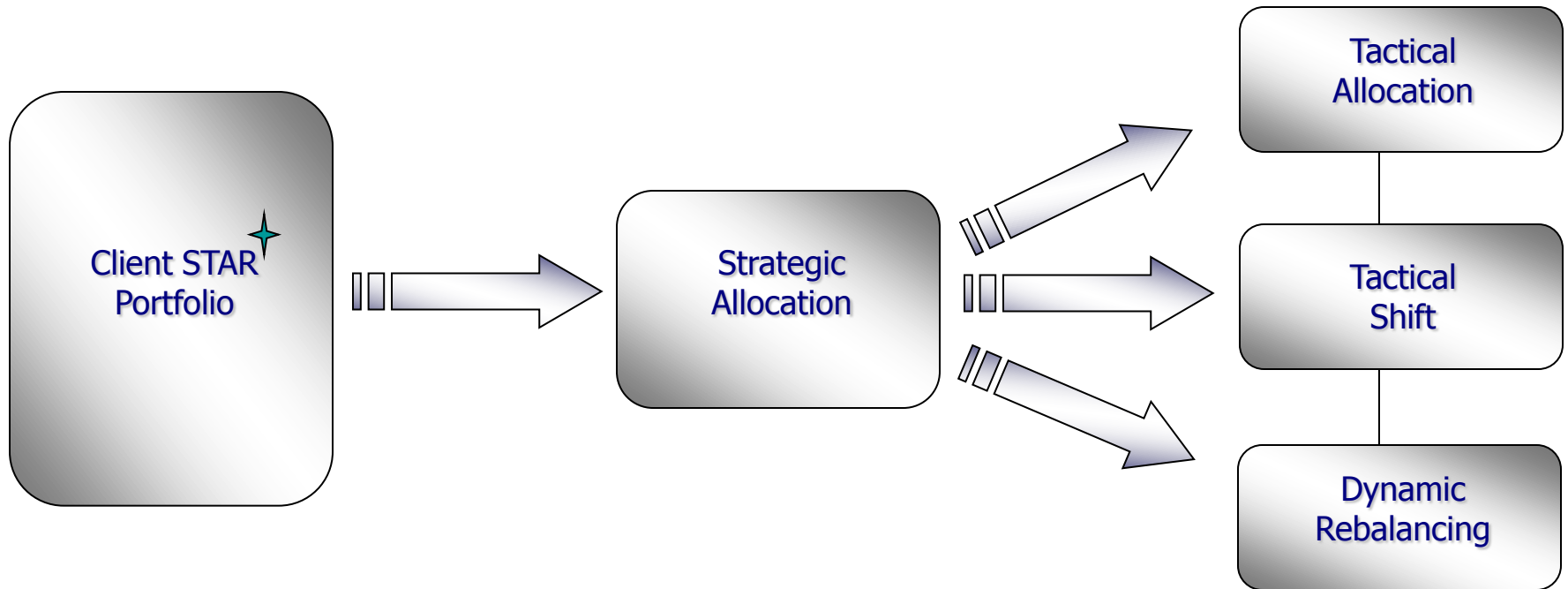
STAR DIFFERENTIATORS

Investment process ...
Unbiased Security Selection

Models that produce...
Consistent, Repeatable Returns

With...
Continuous Advisor/Client Collaboration

PARTNERVEST ADVISORY SERVICES





Our Core and Satellite Approach

CORE GLOBAL ASSET CLASSES

**"Positioned to capture positive returns
wherever they occur"**

- ✓ U.S. Large Cap Equity
- ✓ U.S. Small Cap Equity
- ✓ Foreign Large Cap Equity
- ✓ Diversified Emerging Markets
- ✓ Real Estate
- ✓ U.S. Fixed-Income
- ✓ World Bond

***Core Asset Classes remain constant while
Individual Fund Selections change***

SATELLITE INVESTMENTS

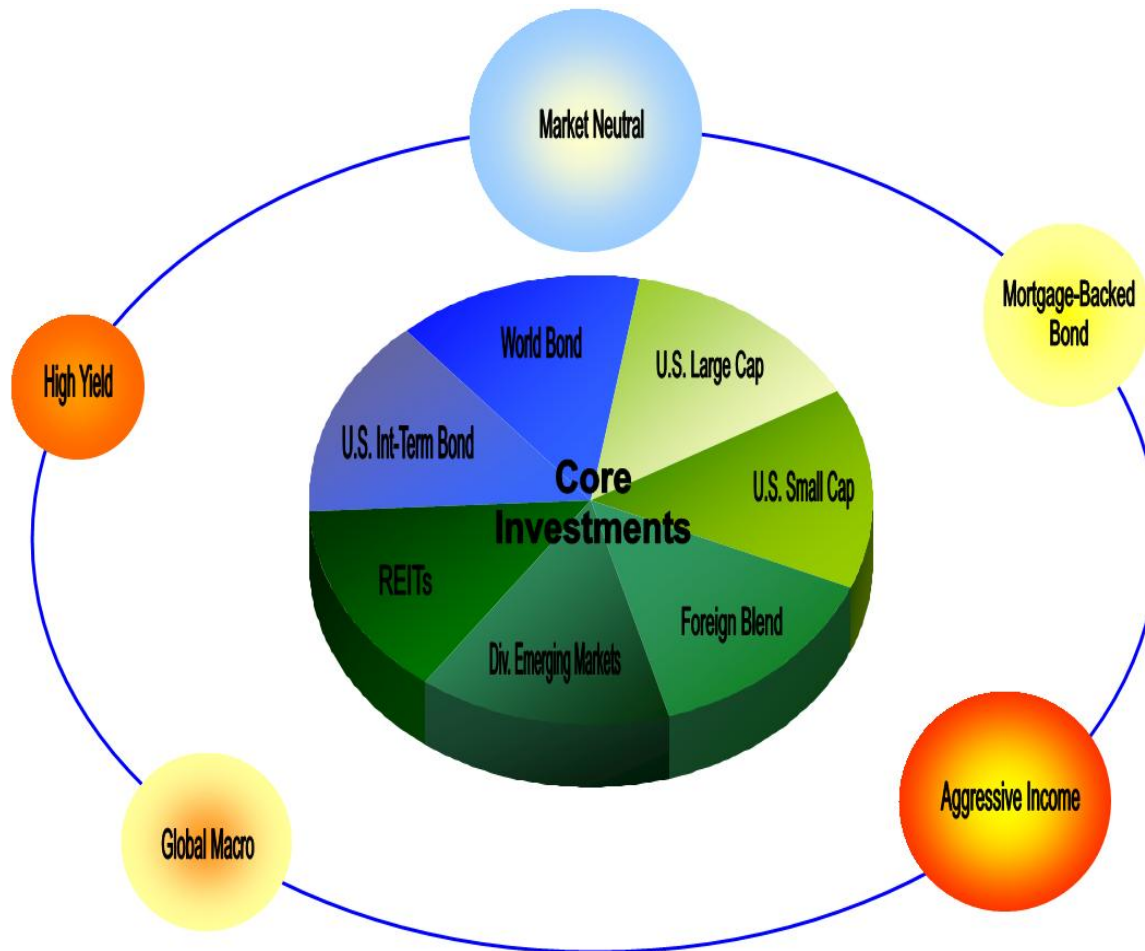
**"Positioned to capture Tactical
Opportunities"**

- ✓ Aggressive Income
- ✓ Market Neutral
- ✓ Global macro
- ✓ Specialty Bonds

***Satellite investments are tactically used to
take advantage of opportunities in the
market, beyond that of the Core Asset
Classes.***

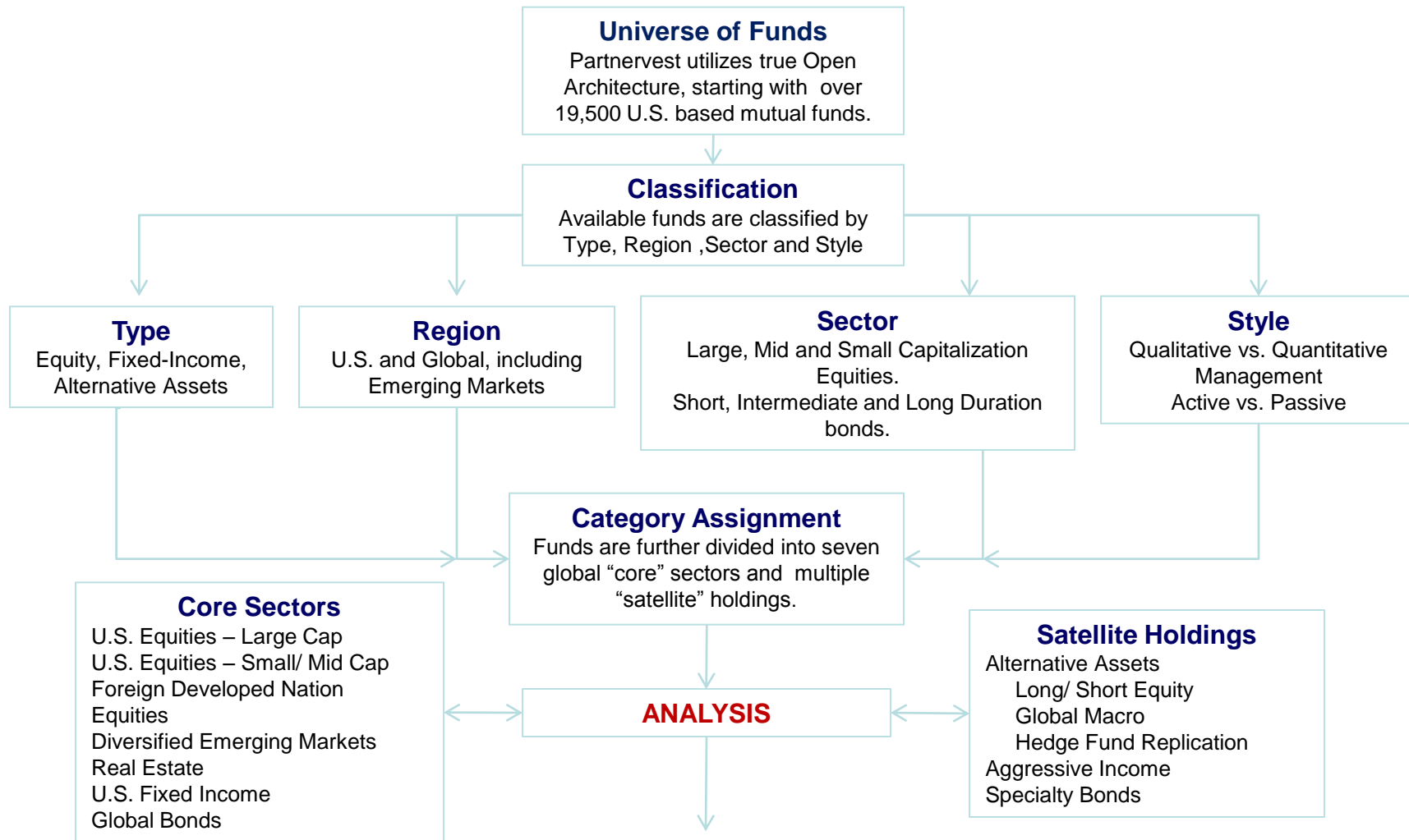


Asset Allocation



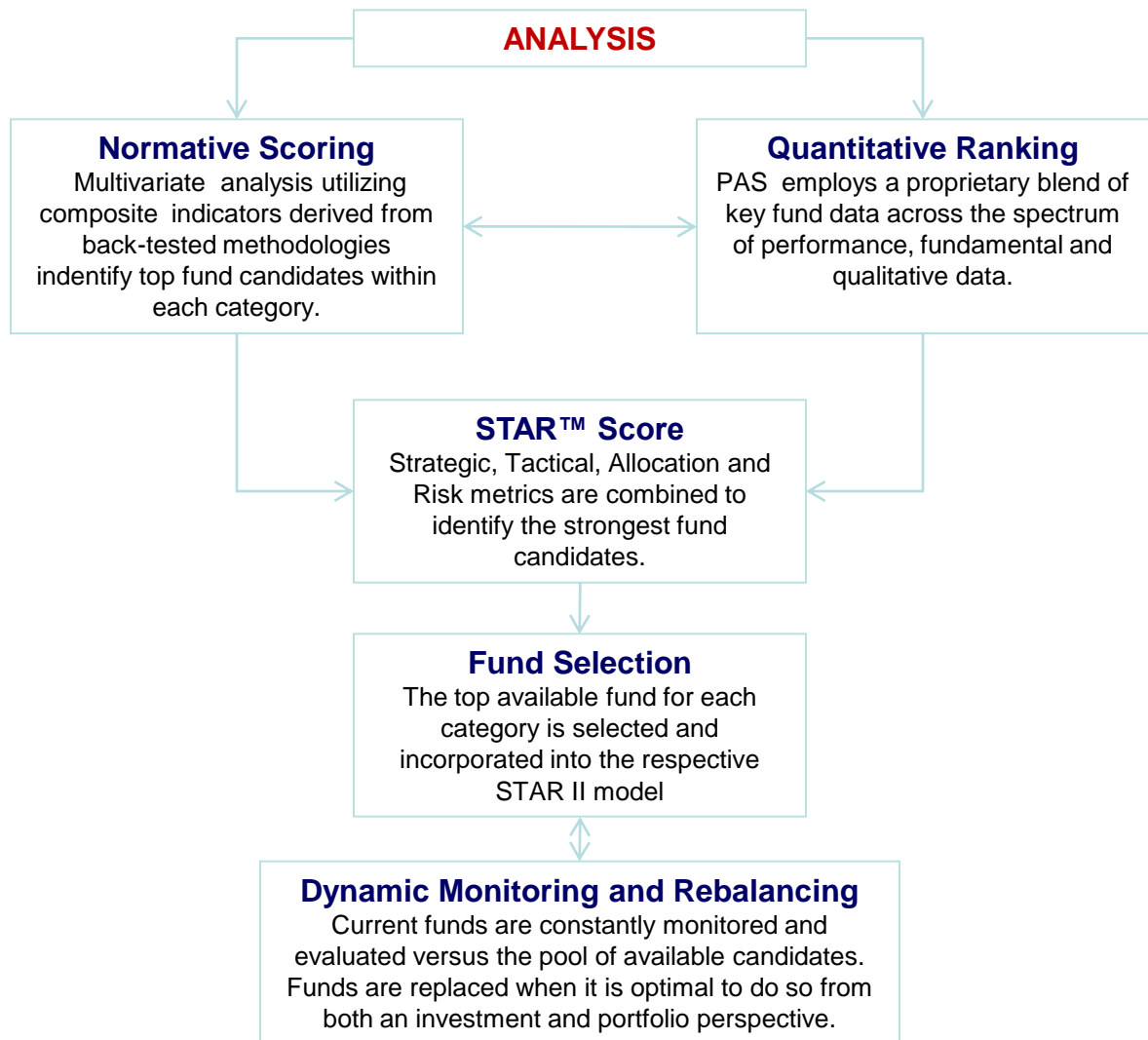


The STAR™ Fund Selection Flow Chart





The STAR™ Fund Selection Flow Chart





STAR Customization

- **Two routes when transitioning into STAR**

Customized STAR Model

- Hold existing securities a client wants to keep
- Count these securities towards an asset class and incorporate into the STAR model portfolios.

Full Conversion

- Transition cash assets into STAR



Disclosure

Performance shown is derived from client accounts and is net of all fees and expenses. Benchmark performance is the total return of the S&P 500/ Barclays Aggregate Bond Index as follows:

Balanced: 50/50 Moderate: 65/35 Growth 80/20 Aggressive 90/10

Past Performance is not indicative of future returns and there is a risk of loss of principal as well as gain. PAS does not predict or guarantee that an investor will achieve any expected return using the STAR program or other PAS services. Investors cannot invest directly in an index and fees for investing in unmanaged index funds may be significantly less than those fees paid for a managed account. Thus, index returns are not a direct comparison of returns in the STAR portfolios. Graphs and charts should not be the sole basis of any investment decision.

Investment management services are provided through Partnervest Advisory Services, LLC. A more detailed description of the investment advisor and its management approach are available in the advisor's Form ADV Part II, available by contacting Partnervest Advisory Services, LLC. Attn: Compliance Dept. 510 Castillo Street, 2nd Floor, Santa Barbara, CA 93101. 805-966-1266. www.partnervest.com