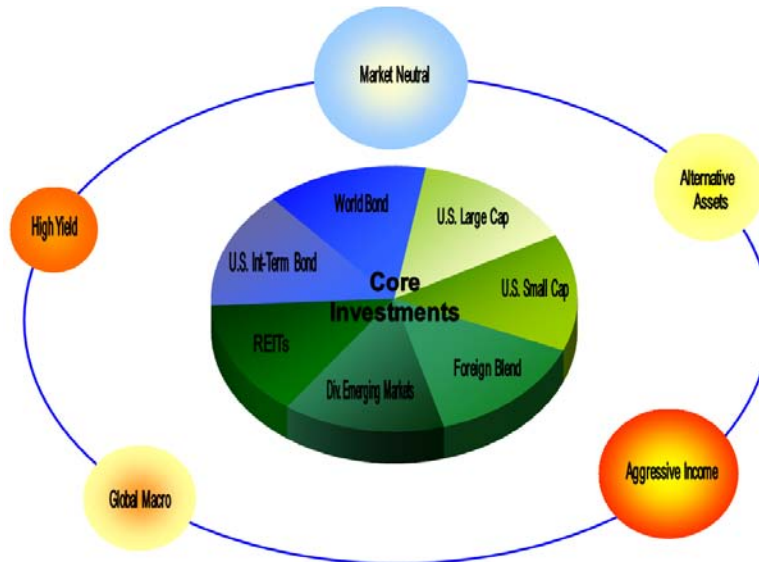




STAR™ II – Model Portfolios
Asset Allocation and Investment Performance

Investment Philosophy - Partnervest employs a disciplined approach focused on risk adjusted returns across all market cycles. Our approach is different. We believe to build Optimal Portfolios, and properly evaluate the performance of an investment; we must first quantify and understand the risk taken to achieve that return.

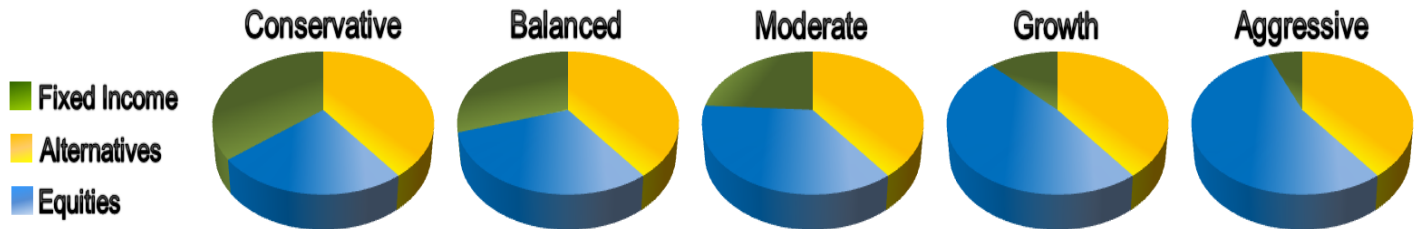
Our Core and Satellite Approach - Our Core Asset Classes remain constant while the individual Fund selections can change. The core funds are positioned to capture positive returns wherever they occur. Satellite investments are tactically used to take advantage of opportunities in the market, beyond that of the Core Asset Classes



<i>Core Holdings</i>	<i>Return (YTD)</i>	<i>Benchmark*</i>	<i>Difference</i>
U.S. Large Cap Equity	3.13%	2.11%	1.02%
U.S. Small/ Mid Cap	-17.15%	-13.12%	-4.03%
Foreign Large Cap Equity	-16.61%	-14.58%	-2.03%
Diversified Emerging Markets	-21.03%	-21.85%	0.82%
U.S. REITs	-13.78%	-9.55%	-4.23%
U.S. Bonds	4.18%	7.84%	-3.67%
Global Bonds	-4.84%	1.71%	-6.55%
Average	-9.44%	-6.78%	-2.67%

<i>Satellite Investments</i>	<i>Return (YTD)</i>	<i>Benchmark</i>	<i>Difference</i>
Aggressive Income	-2.73%	-6.17%	3.44%
Alt. Investment Strategies	-9.36%	-5.89%	-3.48%
High Yield	-0.56%	-2.10%	1.54%
Average	-4.22%	-4.72%	0.50%

Returns shown are year-to-date through December 31, 2011 * Please see Important Disclosures for Benchmark securities.



STAR II Portfolio	Portfolio QTD	Portfolio YTD	Benchmark YTD	Portfolio Trailing 1 Year	Portfolio Trailing 3 Year	Portfolio Trailing 5 Year	Inception 09/30/03 *	Avg. Annual Return	Avg. Annual St. Dev.
Conservative	4.23%	-1.75%	3.59%	-2.07%	27.92%	n/a	15.96%	6.74%	11.30%
Balanced	4.98%	-2.71%	3.07%	-2.54%	34.34%	12.12%	42.61%	5.02%	11.92%
Moderate	4.54%	-3.71%	3.39%	-3.76%	37.77%	10.31%	47.86%	5.81%	13.92%
Growth	5.74%	-6.23%	2.54%	-5.89%	37.38%	2.54%	44.47%	5.81%	16.34%
Aggressive	5.63%	-6.30%	1.94%	-6.63%	42.57%	-1.37%	52.23%	6.88%	19.31%
S&P 500	11.81%	2.11%	2.11%	2.11%	48.49%	-1.23%	49.09%	5.76%	18.36%
Bond Benchmark	1.11%	7.83%	7.83%	7.83%	21.70%	37.00%	53.24%	5.29%	2.44%
Alternative Asset Benchmark	3.46%	0.22%	0.22%	0.22%	9.70%	n/a	n/a	-0.50%	5.14%

Important Disclosures

Performance shown is derived from client accounts and is net of all fees and expenses. Inception date shown for the Conservative Portfolio is Jan 1 2008. Avg. Annual Return and Avg. Annual St. Dev. are calculated Index using an annualized return on a rolling quarter basis. Avg. Annual St. Dev. Is measured against the S&P 500.

Benchmark securities for individual Core and Satellite investments are as follows: US Large Cap Equity: SPX, US Small/Mid Cap: BBOEVAUS, Foreign Large Cap: MXEA, Diversified Emerging Markets: MXEF, US REITS: BBOESSUS, US Bonds: LBUSTRUU, Global Bonds: BBOEIDUS, Aggressive Income: SPPREF, Alternative Assets: BAIF Mkt Ntrl Index, High Yield: BBOECHUS, BBOEEDUS.

Benchmark securities for STAR II Portfolios are the S&P 500 Index (SPX) for the S&P 500, the Barclays Capital Aggregate Bond Index (LBUSTRUU) for bonds and the BAIF-Open End Market Neutral Index (BBOEMEUS) for Alternative Assets. Alternative Assets were incorporated into benchmarks on 7/1/08. Benchmark allocations for STAR II model portfolios in order by percentage are: Conservative: 21/39/40, Balanced: 30/30/40, Moderate: 39/21/40, Growth: 48/12/40, Aggressive: 54/6/40.

Past performance is not indicative of future returns and when investing there is always a risk of loss of principal as well as gain. Partnervest does not predict or guarantee that an investor will achieve any expected return. 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 Partnervest strategies. Graphs and charts should not be the sole basis of any investment decision. Benchmark indices and funds chosen by Partnervest in the depictions herein are those which Partnervest believes are reasonable comparisons to the portfolios presented. There may be other indices which may provide a closer comparison.

Investment management services are provided through Partnervest Advisory Services, LLC, a Registered Investment Advisor. 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. 1216 State Street, 3rd Floor Santa Barbara, CA 93101. (805) 966-1266 or at www.partnervest.com. This brochure does not constitute a solicitation for the purchase or sale of securities. Contact your Investment Advisor Representative for advice concerning your specific circumstances.