DUE DILIGENCE PACKAGE

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A. ORGANIZATION INFORMATION

1. Please complete the chart below.

	Firm Information
Company Name	Partnervest Advisory Services LLC
SEC and CRD Number	SEC 801-62795 CRD 113621
Name of Contact/Title	Kenneth R Hyman – President/CEO
Contact's E-Mail Address	khyman@partnervest.com
Physical Address	360S. Hope Ave., C-210, Santa Barbara, CA 93105
Mailing Address	P.O. Box 1902, Santa Barbara, CA 93102
Phone	805-966-1266 ext. 150
Fax	805-966-1299
Web Address	www.partnervest.com

B. BUSINESS/ORGANIZATION

History and Overview of Partnervest Advisory Services

Partnervest Advisory Services headquartered in Santa Barbara has been independently owned and operated by its founders since 2001. The firm was created to provide unbiased investment solutions for advisors and their clients. The firm uses state-of-the-art alternative strategies and investments to create portfolios designed to generate income and manage risk.

Ownership Structure: Partnervest Advisory Services, LLC (Partnervest) is 100% owned by Partnervest Financial Group LLC (PFG), which is owned by a group of investors, including its Managing Partner Kenneth R. Hyman and Elysian Capital Holdings LLC ("Elysian"), and other employees and Representatives of the firm.

C. PERSONNEL

INVESTMENT MANAGEMENT COMMITTEE:

KENNETH R. HYMAN, PRESIDENT AND CHIEF EXECUTIVE OFFICER

Kenneth R. Hyman founded Partnervest in 2001 and is responsible for the direction and oversight of Partnervest's business, financial, and operational affairs. He also serves as Co-Portfolio Manager and member of the Investment Management Committee overseeing the STAR Asset Management program. Established in 2001, Partnervest provides investment management solutions to investors and the advisors that serve them. Prior to establishing Partnervest, Mr. Hyman was the Senior Executive and Financial Officer for Integral Securities, Inc. and Integral Securities Europe Ltd. Prior to Partnervest and Integral, Mr. Hyman was the Managing Principal and Chief Operating Officer of Mercer Global Securities and the Director of Operations for Mercer Global Advisors, one of the nation's largest fee-only financial planning and investment management firms. He was also the Vice-President of Trading for Associated Financial Group, a financial services company providing support to more than 328 representatives in over 179 branch and satellite offices.

REBECCA M. VALDEZ, DIRECTOR OF INVESTMENTS

Mrs. Valdez joined Partnervest Advisory Services in 2007 and currently serves as its Director of Investments, portfolio manager and a member of the Investment Management Committee. Mrs. Valdez specializes in asset allocation and option-based strategies. At Partnervest her responsibilities include trading, account maintenance, strategy review and trade analysis and portfolio management. Mrs. Valdez is a Level III Chartered Financial Analyst candidate and has a degree in Economics with a concentration in Finance from California Polytechnic University, San Luis Obispo.

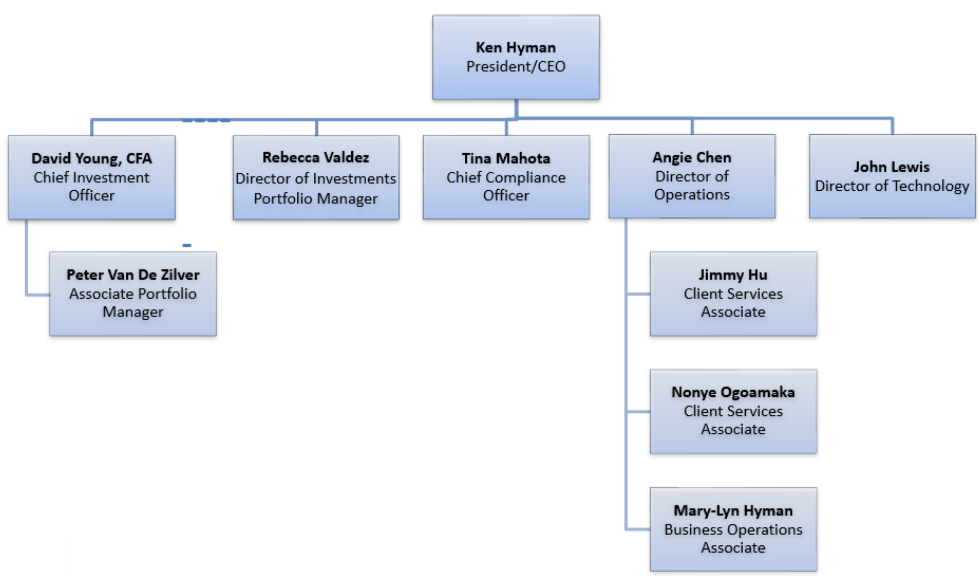
DAVID YOUNG, CFA, CHIEF INVESTMENT OFFICER

Mr. Young joined Partnervest Advisory Services in 2015 and serves as Chief Investment Officer and member of the Investment Management Committee. He is the founder and Chief Executive Officer of Anfield Capital Management LLC, an SEC registered investment advisory firm that specializes in risk-based global allocation and fixed income strategies. Prior to founding Anfield, Mr. Young spent 15 years at PIMCO, focusing on investment strategy, portfolio management and asset allocation. While there, he formed and chaired the first multi-asset investment committee and headed the account management group in London. Mr. Young holds the Chartered Financial Analyst designation, an MBA with a concentration in Finance from the Paul Merage School of Business at the University of California, Irvine and degrees in Economics and Political Science from UC, Irvine, where he has also served as an adjunct professor.

PETER VAN DE ZILVER, PORTFOLIO MANAGER

Mr. Van De Zilver joined Partnervest Advisory Services in 2015 and serves as portfolio manager and member of the Investment Management Committee. He is the Director of Portfolio Analytics and Risk Management at Anfield Capital Management LLC, an SEC registered investment advisory firm that specializes in risk-based global allocation and fixed income strategies. He has over 20 years of investment management experience and served in a senior position at PIMCO in the Portfolio Analytics group, where he was responsible for the architecture, development and implementation of many analytics and risk management systems. Mr. Van De Zilver holds the Chartered Financial Analyst designation and degrees in Physics, Mathematics and Economics from the Universities of Utrecht and Amsterdam, as well as an MA degree in Economics from the University of Southern California.

ORGANIZATIONAL CHART



D. INVESTMENT PHILOSOPHY

Within the **STAR™ SPECTRUM** Program there are various Models, described below, which fall under the following base categories: **Equity Based, Income Derived, and Option Based**.

In brief, portfolios within these programs are structured and rebalanced with a goal to align returns with a specified acceptable level of risk. We may also include additional risk-mitigation strategies, such as covered call writing or securities designed to help protect against downside market movement.

A **Multi-Asset Strategy Investment Process** is utilized in order to determine the selection of optimal securities for each strategy. The STAR™ SPECTRUM approach focuses on the view that diversification and allocation based on risk must be combined with traditional asset class diversification to achieve a more efficient portfolio. We seek to achieve our objectives by investing in segments of the global asset universe primarily via a combination of ETFs and mutual funds which exhibit attractive risk and return characteristics, consistent performance, adherence to style discipline, and with prudent investment philosophies.

The firm's **options-based strategies** are designed to structure a return based upon volatility that can be used for downside risk protection and generate income in the form of option premium. Option strategies can also be used to manage the risk associated with large concentrated positions.

STAR™ Spectrum Programs:

Spectrum Option Based Models	Objective	Strategy Overview
STAR Spectrum Alpha	**Seeks to enhance the protection of principal across all market cycles while providing opportunities to participate in market appreciation**	**Utilizes a Core-Satellite approach with an option overlay. The Core is a fixed income strategy that manages duration risk. Emphasis is placed on tactically managing between various durations and multiple credit rating ETFs. The core and satellite will be dynamically managed based on realized and forecasted risk of each component.**

STAR Spectrum VEGA	**Seeks long-term growth of capital and steady stream of income by investing in a globally diversified equity and fixed income portfolio. An option overlay with covered calls and protective puts is employed.**	**Acts as both a portfolio repair strategy in market declines and enhances returns as markets recover. Strategy invests in global based portfolio which included U.S. Equity, Foreign Developed Equity, Emerging Markets and Fixed Income. Both Covered Calls and Protective Puts are used for Risk Mitigation.**
STAR Spectrum VEGA Enhanced	**Seeks long-term growth of capital and steady stream of income by investing in a globally diversified equity and fixed income portfolio. An option overlay with covered calls and protective puts is employed.**	**Similar to VEGA with the added Enhancement of Volatility –Based Reinvestment for accumulated option premiums election. This is the program utilized to manage the AdvisorShares STAR Global Buy-Write ETF (VEGA), sub-advised by Partnervest. www.advisorshares.com/fund/vega**
STAR Spectrum Managed Income Collar	**Seeks to mitigate risk for concentrated stock positions that establishes a price band around the stock utilizing conservative option techniques. The primary objective is to protect profits with a secondary objective of generating income in the form of earned option premiums.**	**A Collar is a protective strategy in which Covered Calls and Protective Puts are established against an owned long stock position. The stock's "total return" can be enhanced by providing additional return in the form of net option premium received from the sale of Covered Calls. Downside risk is reduced with the use of Protective Puts. Protective Puts can be used to offset an account's devaluation during a decline in price, as Purchased Puts purchased rise in value when the stock price falls.**

Equity Based Models	Objective	Strategy Overview
STAR Spectrum VEGA Core Plus	**Seeks long-term growth of capital and steady stream of income by investing in a globally diversified portfolio that employs conservative hedging.**	**The portfolio's overall risk is expected to be lower on average over time, to the broad stock market. The portfolio also holds modest allocations of securities from other asset classes such as fixed income, and preferred equities for diversification, return purposes and other sources of income. Further diversification may be achieved by allocation to alternative assets such as Real Estate Investment Trusts (REITS) etc.**
STAR Spectrum Conservative, STAR Spectrum Balanced, STAR Spectrum Moderate, & STAR Spectrum Growth	**Utilize a Global Multi-Asset Strategy (GMAS) Investment Process in order to determine the selection of optimal securities for each strategy. The GMAS approach focuses on the view that diversification and allocation based on risk must be combined with traditional asset class diversification to achieve a more efficient portfolio.**	**These strategies invest in segments of the global asset universe primarily via a combination of ETFs and mutual funds which exhibit attractive risk and return characteristics, consistent performance, adherence to style discipline, and with prudent investment philosophies.** **The Core Asset Classes are strategically managed and are positioned as core holdings of a portfolio. Satellite investments are tactically used to take advantage of opportunities in the market, beyond that of the Core Asset Class.**
STAR Spectrum Diversified Equity	**Seeks maximum capital appreciation by investing in a portfolio consisting primarily of equity securities. The portfolio's overall risk is expected to be**	**Further diversification and potential return is achieved by allocation to alternative assets (REITS, Energy and Infrastructure MLPs, long/short equity strategies, etc.) by investing in a variety of global equity and other asset markets**

	similar to the broad stock market.	primarily via a combination of ETFs and mutual funds which exhibit attractive risk and return characteristics, consistent performance, adherence to style discipline, and with prudent investment philosophies.
STAR Spectrum U.S. Sector Rotation	Seeks maximum capital appreciation by investing in a portfolio consisting primarily of U.S. stocks. The portfolio's overall risk is expected to be similar to the U.S. stock market.	Provides exposure to the U.S. Stock Market via Sector Rotation.

Income Derived Models	Objective	Strategy Overview
STAR Spectrum Conservative Income	Seeks to maximize short term current income, consistent with preservation of capital and need for liquidity.	Portfolio consists of actively managed short-term Fixed Income ETFs with tax advantages and inflation protection.
STAR Spectrum Total Yield	Seeks firstly to minimize the risk of losses (deliver a positive return over time) and secondly, to preserve purchasing power by outperforming inflation (deliver a positive "real" return over time)	Invests in sectors of the Fixed Income market primarily via ETFs / Mutual Funds which exhibit attractive risk and return characteristics, consistent performance, adherence to style discipline, and with prudent investment philosophies
STAR Spectrum Core Fixed Income	Seeks total return through a combination of income and price appreciation	Invests in sectors of the Fixed Income market with some Alternative investments primarily via ETFs / Mutual Funds which exhibit attractive risk and return characteristics, consistent

		performance, adherence to style discipline, and with prudent investment philosophies.
STAR Spectrum Tax Advantage California	**Seeks current income with the potential for tax advantages for California residents by investing primarily in sectors of the California municipal bond fixed income market.**	**Focuses on California municipal bonds but may include issues from other states, or taxable securities such as Build America Bonds. The portfolio may include investment grade and below-investment grade securities at the manager's discretion, but the overall goal is a weighted average investment grade credit rating.**
STAR Spectrum Tax Advantage National	**Seeks current income with the potential for tax advantages by investing primarily in sectors of the municipal bond fixed income market.**	**Focuses on State municipal bonds but may include taxable securities such as Build America Bonds. The portfolio may include investment grade and below-investment grade securities at the manager's discretion, but the overall goal is a weighted average investment grade credit rating.**

E. CUSTODIANS, REPORTING AND REBALANCING

CUSTODIANS

Partnervest strategies are available on **TDAmeritrade and Fidelity** platforms.

REPORTING

Quarterly statements of account reports are prepared and distributed by Partnervest and available online.

REBALANCING AND TAX EFFCIENCY

Accounts are monitored and rebalanced dynamically based upon market conditions and cost associated with the rebalance. Tax management strategies may be utilized to maximize tax efficiency as well.

F. COMPLIANCE

Partnervest Advisory Services LLC Compliance Program is designed to assist the Adviser and its partners, officers, directors (or other person occupying a similar status or performing similar functions), and employees and any other person who provides advice on behalf of the Adviser and is subject to the Adviser's supervision and control (each, a "Supervised Person"), in preventing violations of the Advisers Act and the rules promulgated thereunder.

Compliance Team

The Partnervest compliance team consists of Kenneth R. Hyman, Chief Executive Officer (CEO), Tina Mahota Chief Compliance Officer (CCO); Angie Chen (Director of Operations); and Rebecca Valdez (Director of Investments).

Partnervest has also retained a third-party compliance consulting firm, Focus1 Associates, to assist with various compliance matters and tasks.

G. ATTACHMENT – ADV PART 1 AND 2A/2B

https://www.adviserinfo.sec.gov/Firm/113621

H. ATTACHMENT – MARKETING MATERIALS