

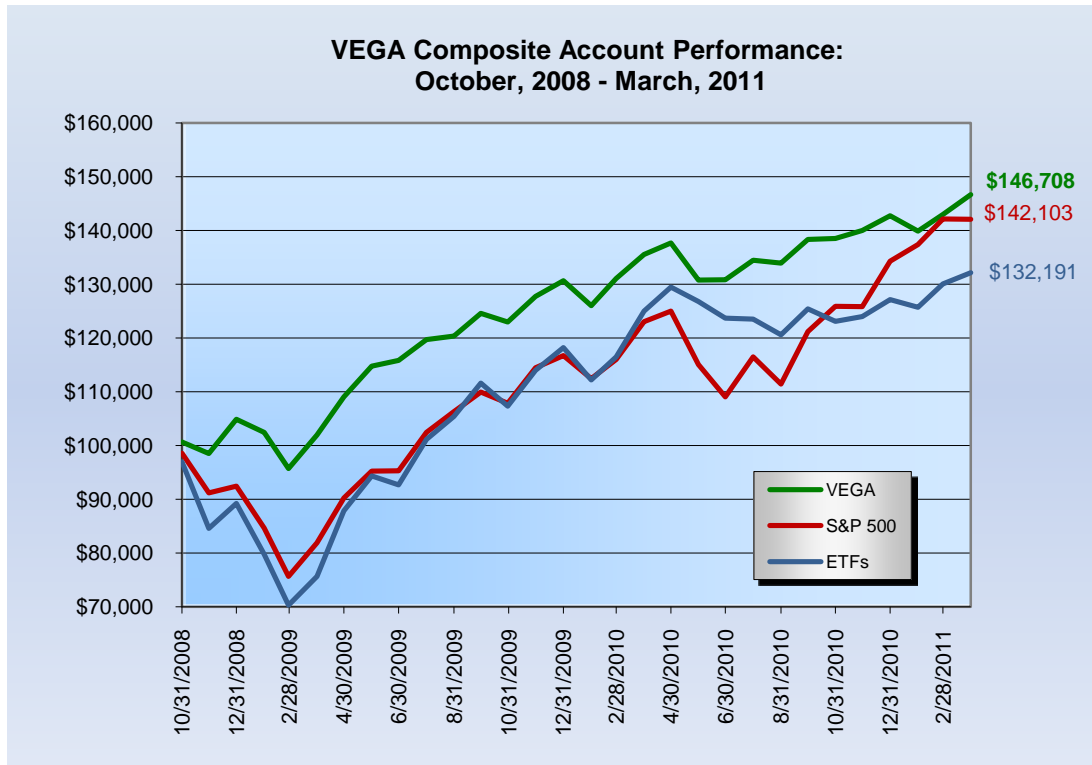


STAR™ III: VEGA

Structured Target Returns: Volatility Enhanced Global Appreciation

Objective: VEGA seeks to achieve consistent above-average returns while simultaneously working to reduce the risk across all market conditions. We anticipate this objective will be accomplished by VEGA's unique structure which enables the strategy to both profit from volatility and participate in price appreciation of a diversified global index portfolio.

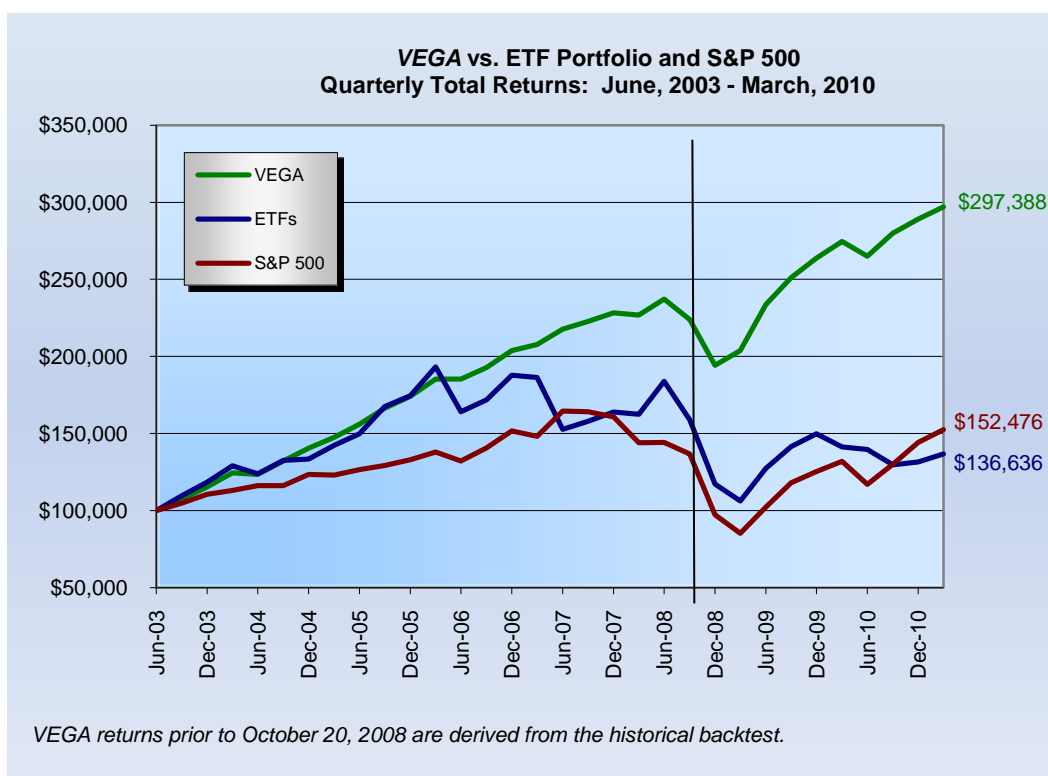
VEGA acts as both a portfolio repair strategy after a market decline and enhances returns as markets recover. The strategy invests in a globally diversified index portfolio and harnesses volatility to generate a steady, uncorrelated return stream. VEGA has the ability to benefit from non-directional price swings as well as cumulative price appreciation.



Year	VEGA	S&P 500	Difference
2008 *	4.91%	-7.54%	12.45%
2009	30.70%	26.46%	4.24%
2010	9.23%	15.08%	-5.85%
2011 YTD	2.76%	5.80%	-3.04%
Since Inception*	46.71%	42.13%	4.58%

*Performance depicted comprises client accounts invested in the VEGA strategy commencing October 20, 2008. S&P 500 returns included reinvested dividends. ETFs are ETF returns without option premiums. See end notes for important additional disclosure information.

VEGA Actual (from October 20, 2008) and Back-tested Model Returns (Prior to October 20, 2008)



Calendar Year Returns					
Year	VEGA	S&P 500	Difference	ETFs	Difference
2011	2.76%	5.80%	-3.04%	3.93%	-1.17%
2010	9.23%	15.08%	-5.85%	7.57%	1.66%
2009	31.83%	26.46%	5.37%	36.41%	-4.58%
2008	-14.96%	-37.00%	22.04%	-26.26%	11.30%
2007	12.08%	5.49%	6.59%	-12.70%	24.78%
2006	17.03%	15.22%	1.81%	9.30%	7.73%
2005	24.11%	4.90%	19.21%	30.82%	-6.71%
2004	21.65%	18.87%	2.78%	12.63%	9.02%
2003	15.45%	15.15%	0.30%	18.48%	-3.03%
Average	14.82%	5.48%	9.34%	4.29%	10.53%
StDev	11.47%	19.27%	-7.80%	19.58%	-8.11%

Beta (β): 0.48 Alpha (α): 9.50%

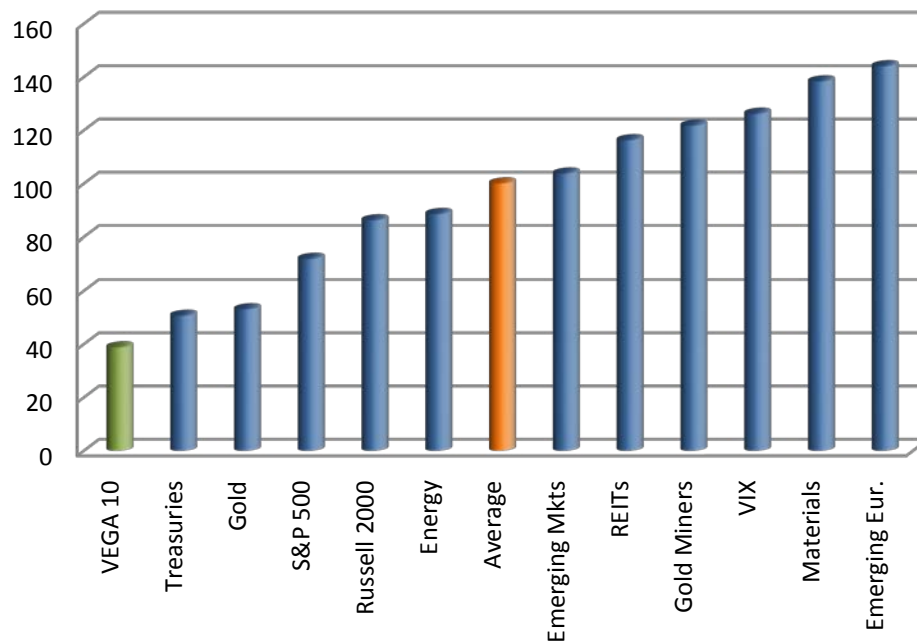
VEGA measures risk-adjusted performance, factoring in the risk due to the specific portfolio rather than the overall market. A high value for alpha implies that the portfolio has performed better than would have been expected, given its volatility. Returns shown are January to December of each year. Beta (β) is a measure of an investment's relative volatility to the underlying index. Alpha (α) is a risk-adjusted measure of the so-called active return on an investment. It is the return in excess of the compensation for the risk borne. Average and StDev are calculated using an annualized return on a rolling quarter basis since 2003.

Actual performance depicted comprises client accounts invested in the VEGA strategy commencing October 20, 2008. To help ensure that large cash flows do not skew results positively or negatively, composite returns are a time and dollar weighted average through the date shown. The composite example does not include every account currently in VEGA, but is intended to be a representative illustration of the strategy metrics. Excluded accounts include: accounts invested in another strategy during the period depicted, and accounts with non-manager constraints imposed by the client or Advisor. The performance of the S&P 500 is total return with dividends reinvested. Actual performance is net of actual fees and expenses.

Partnervest Advisory Services LLC

The chart below displays a metric we've created called the STAR Score™. It is designed to show the relative riskiness of a portfolio consisting of all of the listed ETFs compared to both the individual ETFs themselves, and the linear average of all of those ETFs on a rolling 8 week basis over the previous three years.

STAR Score™
March 2008 - March, 2011



By setting the linear average to 100, we can indicate the degree to which the listed ETFs in the listed portfolio either raise or lower overall volatility. The VEGA10 ETF portfolio has score of 39, meaning the equally weighted portfolio of the listed ETFs has experienced less price volatility than even the least volatile ETF of the group. In sum, this chart shows that diversification can lower volatility.

Important Disclosures

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 composite ETFs 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, ETFs or funds which may provide a closer comparison. The VEGA strategy includes the use of significant options investing designed to enhance returns and mitigate loss in a client's portfolio, but no guarantee that such objectives may be achieved is made by Partnervest. There is cost and risk in investing in options and clients should read and understand the Characteristics and Risks of Standardized Options before investing. A copy of this brochure may be obtained from the Options Industry Council at www.optionseducation.org.

It is important to note that back-tested or model performance is NOT actual performance. As back-tested performance, it does not reflect actual management decisions or fees incurred and thus does not necessarily reflect how the strategy would have actually performed during such period. The ETFs as depicted in the historical backtest consists of Exchange-Traded Funds and their respective indexes prior to IPO on the following: S&P 500, Russell 2000, MSCI Emerging Markets Index, Dow Jones Wilshire domestic REIT index, Russian Traded Index, US Oil, Gold, Barclays 20+ Year Treasury Bonds and the CBOE Short-Term VIX Futures Index. The back tested performance does include the reinvestment of dividends and earnings and the deduction of current fees and expenses at a blended rate of 2.50%. Model or back-tested presentations are inherently limited in their applicability to indicate future performance and may benefit substantially from hindsight. There is no indication that the back-tested performance would have been achieved by Partnervest and it should not be interpreted as an indication of actual performance.

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.
