

3rd Quarter 2017 ~ Commentary

The third quarter of 2017 was a strong one for the Navellier Large Cap Growth Portfolio. For the period the portfolio returned 10.59% (gross) and 10.24% (net), which outperformed the 5.90% return for the benchmark, the Russell 1000 Growth Index. Electronic technology, process industries, and technology services were the three sectors that contributed the most to the positive portfolio performance. However, retail trade, consumer services, and energy minerals were the three sectors that detracted from portfolio performance.

We feel that as the third-quarter earnings announcement season gets underway, the stocks in the portfolio should continue to perform well given their strong expected earnings and sales growth. Although the S&P 500's third-quarter earnings are forecasted to decelerate due largely to more difficult year-over-year comparisons for major energy stocks, our stocks are still characterized by accelerating expected earnings momentum.

With respect to broader economic news, the Conference Board recently reported that its consumer confidence index slipped to in September. The Conference Board noted that confidence fell "considerably" in Texas and Florida in the wake of Hurricanes Harvey and Irma. Yet, thankfully, it appears that consumers should have limited long-term impact once the hurricane cleanup is completed.

In addition, new home sales peaked in March and have slowed precipitously since so the inventory of new homes now stands at just over six months, which should help median home prices soften a bit. In fact, in the past 12 months, median home prices have risen by only a fraction of a percent. Since higher housing/rental prices have been an inflationary component in the Consumer Price Index (CPI), it appears that inflation may now be cooling even faster in the upcoming months as home and rental prices settle down due to rising inventories.

Overall, the portfolio is enjoying especially strong results this year and we feel that it is ideally positioned to take advantage of the current market environment.

Navellier Large Cap Growth Management Team

Louis G. Navellier | CIO, Chairman

Michael Garaventa | Portfolio Manager

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NAVELLIER LARGE CAP GROWTH WRAP COMPOSITE

Reporting Currency U.S. Dollar

Year	Firm Assets (\$M)	Composite Assets (\$M)	Percentage of Firm Assets	Number of Accounts	Composite Pure Gross Return (%)	Composite Net Return (%)	Russell 1000® Growth Index Return (%)	S&P 500 Index Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	Russell 1000® Growth Index 3-Yr Std Dev (%)	S&P 500 Index 3-Yr Std Dev (%)
2016	771	102	13%	255	4.66	3.42	7.08	11.96	0.35	11.12	11.15	10.59
2015	1,118	327	29%	990	-1.57	-2.89	5.67	1.38	0.35	11.22	10.70	10.47
2014	2,107	538	26%	2,028	13.29	11.51	13.05	13.69	0.51	9.91	9.59	8.97
2013	2,322	528	23%	2,132	32.85	30.84	33.48	32.39	0.48	10.45	12.18	11.94
2012	3,412	475	14%	2,313	8.47	6.80	15.26	16.00	0.32	14.25	15.66	15.09
2011	2,728	474	17%	2,416	6.64	4.99	2.64	2.11	0.50	17.12	17.76	18.71
2010	2,365	508	21%	2,796	21.04	19.07	16.71	15.06	0.66	23.30	22.11	21.85
2009	2,668	568	21%	3,932	26.87	24.68	37.21	26.46	0.81	21.65	19.73	19.63
2008	2,678	501	19%	4,794	-41.31	-42.37	-38.44	-37.00	0.87	19.19	16.40	15.08
2007	4,649	899	19%	4,719	28.52	26.66	11.81	5.49	0.68	11.13	8.54	7.68

Wrap performance beyond 10 years available upon request.

1. Compliance Statement – Navellier & Associates, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Navellier & Associates, Inc. has been independently verified for the periods January 1, 1995 through December 31, 2016 by Ashland Partners & Company LLP. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Navellier Large Cap Growth – Wrap Composite has been examined for the periods September 1, 1998 through December 31, 2016. The verification and performance examination reports are available upon request.

2. Definition of Firm – Navellier & Associates, Inc. is a registered investment adviser established in 1987. Registration does not imply a certain level of skill or training. Navellier & Associates, Inc. manages a variety of equity assets for primarily U.S. and Canadian institutional and retail clients. The firm's list of composite descriptions as well as information regarding the firm's policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

3. Composite Description – The Navellier Large Cap Growth Wrap Composite includes all discretionary Large Cap Growth equity accounts that are charged a wrap fee and are managed with similar objectives for a full month, including those accounts no longer with the firm. The strategy is designed for aggressive investors seeking capital appreciation from well-established companies and seeks to achieve the highest possible returns while controlling risk. The strategy invests in U.S. listed securities with market capitalizations greater than \$1 billion. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs). Typically, the strategy invests in approximately 40-50 stocks that pass Navellier's stringent quantitative

and fundamental criteria. Performance figures that are net of fees take into account advisory fees, wrap fees, foreign withholding tax and any brokerage fees or commissions that have been deducted from the account. "Pure" gross-of-fees returns do not reflect the deduction of any trading costs, fees, or expenses, and are presented only as supplemental information. Performance results are total returns and include the reinvestment of all income, including dividends. The composite was created March 31, 2005. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees – The management fee schedule for accounts is generally 45 to 90 basis points; however, some incentive fee, fixed fee, and fulcrum fee accounts may be included. Fees are negotiable, and not all accounts included in the composite are charged the same rate. Bundled fee accounts make up 100% of the composite for all periods shown. Wrap fee schedules are provided by independent wrap sponsors and are available upon request from the respective wrap sponsor. Wrap fees generally range from 100 to 200 basis points and include custody, trading expenses, and other expenses associated with the management of the account. The client is referred to the firm's Form ADV Part 2A for a full disclosure of the fee schedule.

5. Composite Dispersion – If applicable, the dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio level gross returns represented within the composite for the full year.

6. Benchmark – The primary benchmark for the composite is the Russell 1000® Growth Index. The Russell 1000® Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The secondary benchmark for the composite is the S&P 500 Index, which measures the performance of the 500 leading companies in leading industries of the U.S. economy, focuses on the large cap segment of the market, with approximately

75% coverage of U.S. equities. These indices are considered reasonable measures of the performance of the large cap, growth oriented U.S. companies. The returns for the Russell 1000® Growth and S&P 500 indices include the reinvestment of any dividends. The asset mix of large cap growth equity accounts may not be precisely comparable to the presented indices. Presentation of index data does not reflect a belief by the Firm that the Russell 1000® Growth or S&P 500 indices, or any other index, constitutes an investment alternative to any investment strategy presented in these materials or is necessarily comparable to such strategies.

7. General Disclosure – The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Actual results may differ from composite results depending upon the size of the account, custodian related costs, the inception date of the account and other factors. **Past performance does not guarantee future results. Investment in equity strategies involves substantial risk and has the potential for partial or complete loss of funds invested. Results presented include reinvestment of all dividends and other earnings.** The securities identified and described do not represent all of the securities purchased, sold, or recommended for client accounts. It should not be assumed that any securities recommendations made by Navellier & Associates, Inc. in the future will be profitable or equal the performance of securities made in this report. A list of recommendations made by Navellier & Associates, Inc. for the preceding twelve months is available upon request.

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