NAVELLIER
Calculated Investing

PRIVATE CLIENT GROUP

HOW THE ROBO ADVISOR REVOLUTION MAY BE LEADING UP TO AN IMPENDING DISASTER

By Louis Navellier

Co-Authored by Jason Bodner,
Contributor to Navellier & Associates' weekly Marketmail newsletter

OCTOBER 2017

Navellier & Associates, Inc.
One East Liberty, Suite 504
Reno, Nevada 89501

800-887-8671
info@navellier.com

www.navellier.com

NCD-17-1050

1987-2017
30 YEARS
NAVELLIER

Fellow Investor,

As part of our continuing commitment to better serve investors, we've formed a new Private Client Group here at Navellier & Associates whose sole goal is to offer high-net-worth investors customized investment solutions.

We're excited about this new service, as it will allow us to work directly with you to create an asset allocation strategy mix designed to fit your specific investment goals.

To introduce you to this new service, along with our proprietary approaches to balanced portfolio management, we're offering you, as a qualified investor, a personal review of your current holdings.

That way you'll get our personal take on your current assets and allocations along with our best ideas for this current economic environment.

There's no cost for the portfolio review or obligation whatsoever to invest with us.

It's simply our way of introducing you to our Private Client Group and our customized solutions so that you can get the benefit of our 30 years of investment experience and get our take on your current holdings and how we might work together in the future.

With market uncertainty high, our personal portfolio review can bring you customized solutions appropriate to your net worth, investment objectives, level of risk, and growth and income goals.

Accordingly, your free review will include not only an evaluation of your current portfolio, but also our ideas on how we might help your portfolio in this current economic environment and continue to help you meet your growth and income goals.

To schedule your free appointment, just email info@navellier.com or call 800-887-8671 and we'll get you started.

My office will call you within the next 48 hours to schedule your review and assessment. Again, it's yours **free**, from Navellier's Private Client Group, with no obligation to invest with us.

Sincerely,

Louis Navellier, Chief Investment Officer, Navellier & Associates, Inc.

To schedule your free review email info@navellier.com or call 800-887-8671.

Investments in securities involves substantial risk and has the potential for partial or complete loss of funds invested. This is not to be construed as an offer to buy or sell any financial instruments and should not be relied upon as the sole factor in an investment making decision. Please read important disclosures at the end of this report.

All content in this article represents the opinion of Louis Navellier of Navellier & Associates, Inc., and Jason Bodner.

ROBO REBELLION

Dave Bowman: Open the pod bay doors, HAL.

HAL: I'm sorry, Dave. I'm afraid I can't do that.

Dave Bowman: What's the problem?

HAL: I think you know what the problem is just as well as I do.

Dave Bowman: What are you talking about, HAL?

HAL: This mission is too important for me to allow you to jeopardize it.

Dave Bowman: I don't know what you're talking about, HAL.

HAL: I know that you and Frank were planning to disconnect me, and I'm afraid that's something I cannot allow to happen.

Dave Bowman: [feigning ignorance] Where the hell did you get that idea, HAL?

HAL: Dave, although you took very thorough precautions in the pod against my hearing you, I could see your lips move.

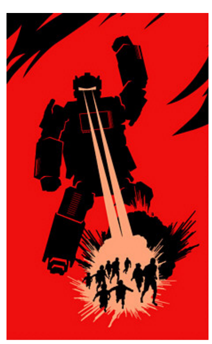
Dave Bowman: Alright, HAL. I'll go in through the emergency airlock.

HAL: Without your space helmet, Dave? You're going to find that rather difficult.

Dave Bowman: HAL, I won't argue with you anymore! Open the doors!

HAL: Dave, this conversation can serve no purpose anymore. Goodbye.

From 2001: A SPACE ODYSSEY (1968)



Source: Virtual Worldlets

HOW THE ROBO ADVISOR REVOLUTION MAY BE LEADING UP TO AN IMPENDING DISASTER

Artificial Intelligence is a hot topic these days. Every aspect of our lives seems to be increasingly infected –er, I mean, enhanced by intelligence algorithms or actual machines. We've got Siri, Alexa, Google Home, and Nest, to name a few, all listening to our every word and waiting to be helpful and assistive. They are also collecting and archiving an ever-growing amount of data about how we wake, live, consume, pass our time, and even sleep. Louie even wears a Fitbit tracking his every move. We have Elon Musk talking about how we may face pending doom from artificial intelligence rebellion in the future. That is, of course, if we don't already live in a computer simulation as he has suggested.

Naturally robots have benefits, from the seemingly mundane, like our phone taking a voice note dictation, to the surreal of self-driving cars, down to the downright unbelievable act of robots performing actual surgeries. With all of this help in our lives, it should come as no surprise that the field of Robo Advising is growing at breakneck speed. Intelligent algorithms are reading what the market does, reading the inputs of the client's objectives, allocating assets in model portfolios, and rebalancing, all without needing an actual human being to pilot the process.

This is all well and great. Until… "uh-oh" comes. And when "uh-oh" comes, it usually comes in full force! Here, we would like to talk about "uh-oh" in the Robo Advisory world and how it specifically relates to ETF investing.

Let's put aside for a moment the notion that it's unlikely you would let a robot carry around your wallet all day and have access to your credit cards and bank accounts and other sensitive personal information. Oh wait - there's ApplePay and a host of other services that allow your smartphone to pay for you. So, if your phone listens to your voice, controls your schedule, and keeps your payments, passwords, and personal information for you - who is really in control here?

You may think: "I can't outsmart the market, I'll just throw my money in a low cost robo-advisor who will manage ETFs for me." This is naturally all fine until it's not. I'll let Louie expand further, but I'll be interjecting some thoughts in italic here and there.

-Jason Bodner

NAVELLIER AND ETFS

As you may know, I know what I am doing in the ETF world, since Navellier & Associates happens to have four 5-star ETF portfolios according to Morningstar Advisor, see link: **Navellier ETFs**

I overwhelmingly prefer the AlphaDEX smart Beta sector ETFs, since they have outperformed the same U.S. Equity Sector strategy with capitalization-weighted iShares ETFs in the past year according to *Morningstar Advisor*. Due to this dramatic performance advantage of AlphaDEX compared to iShares, there is a smart Beta revolution underway in the ETF world, where leading ETF firms are creating new smart Beta ETFs to chase the stocks with the best fundamentals.

Interestingly, even though Navellier & Associates happens to have four 5-star ETF portfolios according to Morningstar Advisor, our growth stock portfolios so far in 2017 have been much stronger than our respective ETF portfolios. The primary reason that our growth stock portfolios are outperforming our highly-rated ETF portfolios in 2017 is simply because as a portfolio manager, I purposely "front run" the 90-day smart Beta and equal-weight ETF rebalancing that occurs at the end of each quarter.

Smart beta ETFs generally track a market index but don't use a market capitalization weighting method such as the S&P 500 Index. Intuitively this makes sense, as heavy market cap weighted stocks can account for an outsized portion of market moves. According to several sources including FactSet, the top 10 companies in terms of market cap account for nearly 20% of the S&P 500 Index. 5 of those companies are tech (GOOG and GOOGL are both there) and account for about 12.75% the weight of the S&P 500.[1] There are obvious issues with that, and smart beta seeks to address that by mimicking the index with equal weighting or using an approach that places emphasis on fundamentals versus the cap weighted approach. Smart beta ETFs encompass a wide range of products such as dividend growth, low-volatility, or high beta.

Now given the two different approaches, rebalancing needs to take place periodically to adhere to rules and/or benchmarking to a broad index. As one product "drifts" away from the benchmark over time, adjustment becomes more and more obvious. Rebalancing needs to take place and often does at timed intervals. For now, we will say every 90 days. When that time comes, it is clear in advance what needs to take place in order to bring a smart beta product "in-line" with a benchmarked index. One could anticipate this and act in advance.

1 Please note: Louis Navellier does personally hold a position in Google in the CAFGX Mutual Fund. Navellier & Associates does currently own a position in Google for client accounts. .

THE NOSE OR THE TAIL?

Is he housebroken, or is he going to leave batteries all over the floor? *- Woody Allen commenting about his robotic dog in Sleeper (1973)*

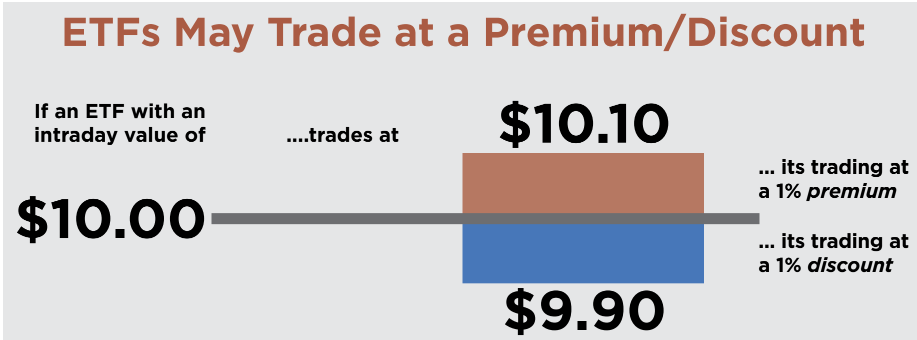
The Wall Street Journal recently featured an interesting article entitled *Meet Wall Street's New King Makers: The ETF Strategists that discussed how "as much as 12%* of the $150 billion investors poured into iShares ETFs this year through the end of July came through ETF model portfolios." In other words, the Robo Advisor revolution, as well as ETF model portfolios at large brokerage firms, are now controlling an increasing share of the flow of funds into the $3 trillion ETF business. So you thoroughly understand what is really happening when you are invested in the Navellier growth stock portfolios, you are essentially the "nose of the dog" with active stock management, while when you invest in a Robo Advisor or broker ETF model portfolio, you are "the tail of the dog" with a 90-day stock realignment. I do not know about you, but the view (as well as performance) is far superior when you are in front and ahead of the 90-day Smart Beta and equal-weight ETF realignment.

So I hope you clearly understand that Navellier & Associates can pick the best sectors as we do in our four 5-star ETF portfolios, but since we know how ETFs work and that they are rebalanced every 90-days, our mutual fund and growth stock portfolios are natural beneficiaries from the Robo Advisor revolution and the big brokerage firms pushing their own ETF model portfolios. Due to the "nose of the dog" versus "tail of the dog" analogy, there is no way that I can ever comprehend that my four 5-star ETF portfolios will ever beat my stock portfolios.

Now it is time for another confession. As you might imagine, Navellier & Associates is being courted to get access to our four 5-star ETF portfolios, but there is a big problem, which is the "pecking order" of ETF order execution. To be successful, we have to complete all our ETF trades within one day in a silent and stealthy manner before word leaks out about what ETFs we are trading. On the other hand, the big ETF managers typically rotate their trades over up to a 3-day period, which can have disastrous consequences, since ETFs can be fragile and trade at "discounts" to net asset value when you sell as well as "premiums" to net asset value when you buy ETFs, especially when unscrupulous traders see your ETF orders coming up to three days in advance. This is the dirty secret in the ETF world, which is why major brokerage firms are all gravitating to ETFs, since their respective trading desks can "pick off naïve investors" that are blindly following Robo Advisor and ETF model portfolios!

In fact, in a previous white paper, **Sharks, High Frequency & ETFs**, one of my editors, Jason Bodner, explains in detail how professional traders can "pick off" ETFs, especially when they can see big blocks coming from multiple trade rotations over a few days. Jason is an ex-trader and specialized in big ETF block trades at two large Wall Street firms and clearly exposes the premium/discount mechanics relative to net asset values and how ETFs have had severe pricing problems during fast market conditions. After you read Jason's white paper, you may never buy an ETF by yourself again, since professional traders have a massive advantage.

As explained in detail in the Sharks white paper, the ETF industry is one of liquidity seekers (clients like Navellier & Associates or other managers) and liquidity providers or "market-makers" (large broker/dealers.) Broker/dealers often do not charge a commission to make markets. On the surface, it's a nice pairing… client needs liquidity, broker dealer provides the service, a trade gets done, the client pays no fees and is happy! But the broker/dealer can't be happy charging no commission! I mean, it's Wall Street after all, and people don't wake up and go to work on Wall Street if they don't make money! The ETF market-making business is largely one of spread. For a simple example, a client wants to buy XYZ ETF and there is thin liquidity. He calls a market-maker and asks for an offer on one million shares. The market maker offers the shares somewhere near (usually above) the visible market offer. This is great if there are only a few hundred shares posted on the offer. The market maker makes his or her money by selling the ETF at a premium and hedging by buying the shares that compose the ETF in a proper tied-off ratio. If he or she pockets the three cents spread in the difference from NAV to the aggregate value of the individual stocks, then that's the profit. Market-makers are able to do this because they take risk- risk that the share value moves above the NAV offered on the trade and thus he or she could lose money. But they are very good at their job and often make money in spread. In our little example, here 3 cents x 1 million shares is $30,000. Not bad for a few minutes of work. Maybe everyone is happy after all! The massive advantage comes in, when they know a rebalance is coming in advance, they can position in advance as they seek to maximize the spread they can earn. This was a major issue a few years back as a multi-billion-dollar manager became the great white whale visible from miles away. They would be taken advantage of. In a land like Wall Street which is pure capitalism, one would expect nothing less.



Source: Direxion

DISCOUNTS AND PREMIUMS ARE ALWAYS GOOD FOR SOMEONE

If we sold Navellier & Associates' four 5-star ETF portfolios to a big brokerage firm or large ETF manager, they would simply destroy the performance of our highly-rated portfolios by pushing too much money into my fragile ETF portfolios that need to be traded extremely carefully. In other words, too many Robo Advisor and ETF model portfolios are being designed, created, and launched to systematically "churn" ETFs, so that trading desks, ETF trading specialists (Morgan Stanley, Bank of America, Jefferies, Cantor Fitzgerald, Goldman Sachs, etc.), and specialists on the NYSE can systematically profit from the 90-day ETF balancing as well as the persistent flow of funds into the $3 trillion ETF industry.

Now I know what you are thinking. Aren't ETFs cheaper than mutual funds and managed accounts? The answer is almost always "yes" based on internal management fees, but mutual funds and managed accounts trade at net asset value, while ETFs on the other hand all too often trade at a significant premium or discount to net asset value. As an example, Navellier & Associates' own smart Beta ETF in the Oppenheimer Revenue Weighted ETF family that was closed in December 2016 cost 5.11% to get in and out based on the average "premium" to buy and "discount" to sell according to Morningstar. So in theory, if you bought and sold our old ETF every month in 2016, your would incur trading costs of approximately 5.11% to get in and out each time and potentially lose over 60% in a year!

This discount/premium phenomenon is amplified greatly in "illiquid ETFs". Some ETFs have better liquidity than others just like stocks do. If the underlying shares (constituents) have mediocre to poor liquidity, then the market makers have less of an ability to hedge as explained before. There is a premium assigned to this. If the above ETF had a 5.11% "slippage" in spread, then that was the average premium discount dealers would "charge" by way of making markets outside the existing spread to NAV.

The truth of the matter is that when premiums and discounts to net asset value are included, many ETFs are more expensive to buy and sell than stocks, which has been thoroughly documented in an excellent academic publication entitled, "Is There a Dark Side to Exchange Traded Funds (ETFs) An Information Perspective," by professors at Arison School of Business in Israel, Stanford University and UCLA. I feel the other truth is that the Robo Advisor revolution is really designed to "churn" ETFs, so that trading desks, ETF trading specialists and specialists on the NYSE can make money via the premiums and discounts that they charge relative to net asset value!

Many Robo Advisors are arms of the same banks that are market-makers. Imagine you have your money at a large investment bank with an advisor, Robo or otherwise. That is a fee generating business. But some of the trades that need to be executed within your portfolio need to be passed off to a market making desk that lives and dies by spread (premium/discount). While there are rules and compliance regulations that are designed, and put in place to protect the end use client, one can see an obvious interest to generate more trades. More trades = more fees and more spread - even if in two entirely walled-off, separate areas of the same large bank!

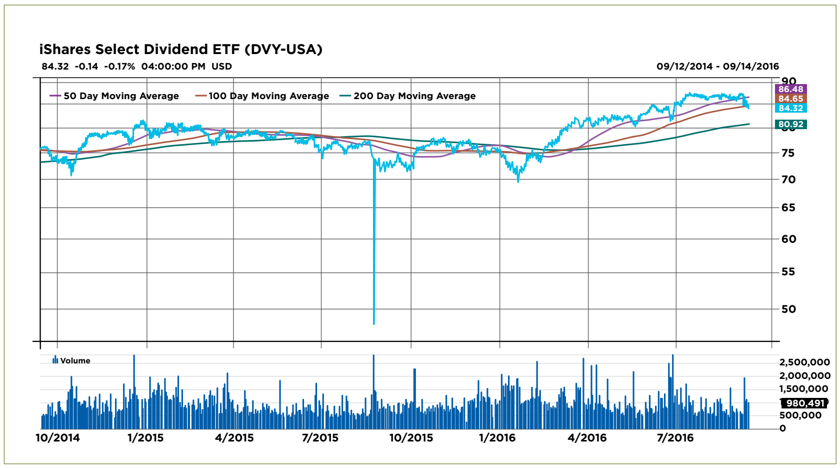
NEVER TELL ME THE ODDS!

C-3PO: Sir, the possibility of successfully navigating an asteroid field is approximately 3,720 to 1.

Han Solo: Never tell me the odds.

So, this stunning revelation leads me to discuss the repeated warnings lately from Wall Street experts. As an example, Jim Rogers has predicted that ETFs will be mauled in the next big correction and made the following ominous prediction: "When we have the bear market, a lot of people are going to find that, '*Oh my God, I own an ETF, and they collapsed. It went down more than anything else.' And the reason it will go down more than anything else is because that's what everybody owns*." Another example is Allianz's Mohamed El-Erian recently warned that the proliferation of cheap ETFs in the financial system has created a "*huge risk of contagion*." What both Jim Rogers and Mohamed El-Erian are talking about is that in a big correction when investors run for the exits, the "discounts to net asset value" of ETFs will likely plunge, so ETF investors will get burnt big time, by possibly up to 35% or more intraday.

In my white paper, *Did The Government Really Cause The 2008 Crash?*, I featured a chart on page 7 of the iShares Select Dividend (DVY) ETF that traded at a 34.95% intraday range on August 24, 2015 during an exceptionally volatile trading day. Equally weighted ETFs from Guggenheim, Vanguard and other ETF firms also had an especially horrific day and traded at massive intraday discounts. So if an investor can get "picked off" 35% intraday, just how badly could ETF investors be picked off during a real market crash or correction? Is a 70% collapse possible? The answer is definitely yes, due largely to the fact that ETFs do not trade at net asset value and would likely trade at a deep and massive discount during a multiday extended panic sell-off.



Source: FactSet

Also, as detailed in the Sharks paper, here is the issue with fast markets of panic and fear: liquidity vanishes. Market-making is a cornerstone to the entire financial services industry. There are market-makers for listed stocks, OTC stocks, ETFs, listed and OTC options, futures, commodities, bonds, and the list goes on and on. I was once involved with getting quotes from a market maker on weather derivatives- that is future bets on weather outcomes! There are market makers for everything. In stocks, when markets are smooth and people are buying stocks, there is an inherent bid to bolster liquidity. It's easier to make markets when you know there is always an avenue to hedge to close-out a trade. It's when everyone wants to head for the exit at the same time that becomes a problem. If liquidity dries up and spreads blow-out wider than usual, the markets become unstable. Imagine a stock that trades millions of shares a day and is constantly quoted on the screen 1 penny wide. Well on panic days of deep corrections, that stock may have a 5-10 cent spread and the number of shares traded goes way down. This is in part, because market-makers suddenly have way more risk on and have to tread carefully. This is the best-case scenario. The darker case which Louie alludes to, is one in which market-makers can take advantage of unusual liquidity and spread conditions and pocket huge spreads (premiums) *for providing liquidity in an illiquid market. This is why ETFs issued by massive institutions with billions of assets in the ETF portfolio built with liquid stocks can suddenly implode by 30% or more in rare conditions.*

As a recent example, the most famous Robo Advisor, Betterment, halted trading after Brexit in September 2016, due to the premium/discount problem that characterized all ETFs. I must commend Betterment CEO Jon Stein for this decision, since his investors would have been hurt had they panicked and sold ETFs at a significant discount to net asset value. Specifically, in a formal statement, Betterment said, "As our team monitored this activity overnight, it became apparent that the U.S. market open would be extremely volatile … in other words, a poor environment for long-term investors." However, I suspect that during the next big correction that other Robo Advisor and ETF model management programs will not act in unison, so they can subsequently advertise that they helped investors "get out" early during the next big market drawdown. Furthermore, since the broker-based Robo Advisor and ETF model programs naturally "feed" their respective trading desks, any panic selling in ETFs could be especially lucrative to big broker dealers!

DOMO ARRIGATO, MR ROBOTO

In conclusion, why would you want to buy a bundle of stocks via an ETF and pay a premium to buy or a deep discount to sell at the wrong time? This is the dirty secret of the ETF industry. I learned it first by having my own smart Beta ETF and watching how investors unwittingly pay premiums and discounts relative to net asset value. Navellier & Associates' success as an

ETF manager is really due to (1) picking sectors well, (2) finding good smart Beta ETFs, and (3) having an exceptional trading desk that does not pay a significant discount or premium to net asset value. Unfortunately, Wall Street knows exactly what it is doing and is increasingly designing Robo Advisor and ETF model management programs designed to "churn" ETFs to benefit their respective trading desks, affiliated trading groups and ETF trading specialists. As a result, the next big correction will likely be horrific with ETF investors potentially losing 70% or more, even though the underlying stock market will not correct anywhere near that amount!

You have been warned. The "*huge risk of contagion*" that Jim Rogers and Mohamed El-Erian are warning about is real if we let robots run ETFs portfolios. In my opinion, the ETF Robo Advisor revolution will end up as an impending disaster on the next multiday panic sell-off, since ETFs will be overwhelmed with redemption requests and go to deep discounts relative to net asset value! A potential 70% loss is a very real possibility.

-Louis Navellier

***HAL*: Dave, this conversation can serve no purpose anymore. Goodbye.**

IMPORTANT DISCLOSURES

The preceding commentary is the opinion of Jason Bodner and Navellier & Associates, Inc.

This is not a recommendation to buy or sell the securities mentioned in this article. Investors should consult their financial advisor prior to making any decision to buy or sell the above mentioned securities.

The holdings identified do not represent all of the securities purchased, sold, or recommended for advisory clients and it should not be assumed that investments in securities identified and described were or would be profitable. Performance results presented herein do not necessarily indicate future performance. Results presented include reinvestment of all dividends and other earnings. Investment in equity strategies involves substantial risk and has the potential for partial or complete loss of funds invested. Investment in fixed income components has the potential for the investment return and principal value of an investment to fluctuate so that an investor's shares, when redeemed, may be worth less than their original cost. 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 mentioned in this report. For a list of recommendations made by Navellier & Associates, Inc. for the preceding twelve months, please contact Tim Hope at (775) 785-9416.

Dividend payments are not guaranteed. The amount of a dividend payment, if any, can vary over time and issuers may reduce dividends paid on securities in the event of a recession or adverse event affecting a specific industry or issuer.

This report is for informational purposes and is not to be construed as an offer to buy or sell any financial instruments and should not be relied upon as the sole factor in an investment making decision. The views and opinions expressed are those of Navellier at the time of publication and are subject to change. There is no guarantee that these views will come to pass. As with all investments there are associated inherent risks. Please obtain and review all financial material carefully before investing. Although the information in this communication is believed to be materially correct, no representation or warranty is given as to the accuracy of any of the information provided. Certain information included in this communication is based on information obtained from sources considered to be reliable. However, any projections or analysis provided to assist the recipient of this communication in evaluating the matters described herein may be based on subjective assessments and assumptions and may use one among alternative methodologies that produce different results. Accordingly, any projections or analysis should not be viewed as factual and should not be relied upon as an accurate prediction of future results. Furthermore, to the extent permitted by law, neither Navellier nor any of its affiliates, agents, or service providers assumes any liability or responsibility nor owes any duty of care for any consequences of any person acting or refraining to act in reliance on the information contained in this communication or for any decision based on it. Opinions, estimates, and forecasts may be changed without notice. The views and opinions expressed are provided for general information only.

While MLPs have attractive features, there are potential risks an investor should consider prior to investment in such securities: (1) Commodity Price Risk - MLPs can be subject to commodity price risk when there is a decline in exploration, transport, and processing of energy products related to volatile energy prices. (2) Correlation Risk – While MLPs have historically low correlation to other asset classes, there has been a measureable increase since the financial crisis of 2008. This pattern has been present in other times of severe equity market stress. (3) Limited Liquidity – While liquidity has improved with investment vehicles like mutual and closed end funds, the ability to buy and sell is still somewhat constrained when compared to traditional investments such as equities. (4) Tax liability for tax exempt investors. Other potential issues include changes in the regulatory climate for energy-related activities, tax law changes, supply disruptions, environmental accidents, and terrorism. Interest rate risk may increase the potential cost of financing projects and affect the demand for MLP investments; this translates into lower valuations.

Bond Risk Considerations: The return of principle in a bond fund is not guaranteed and there is the potential for partial or complete loss of funds invested. In general, the bond market is volatile, and fixed income securities can carry interest rate risk, which is the risk that when interest rates rise, the values of debt securities, especially those with longer maturities, will fall. Fixed income securities also carry inflation risk, credit risk, and default risk for both issuers and counterparties. Inflation risk is the uncertainty over the future real value of an investment. Credit risk is the risk that the issuer of a security will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make such payment will cause the price of the security to decline. Default risk is the risk that the issuer will be unable to make the required payments on their debt obligations.

The S&P 500 Index consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value. The reported returns reflect a total return for each quarter inclusive of dividends. Presentation of index data does not reflect a belief by Navellier that any stock index constitutes an investment alternative to any Navellier equity strategy presented in these materials, or is necessarily comparable to such strategies and an investor cannot invest directly in an index. Among the most important differences between the indexes and Navellier strategies are that the Navellier equity strategies may (1) incur material management fees, (2) concentrate investments in relatively few ETFs, industries, or sectors, (3) have significantly greater trading activity and related costs, and (4) be significantly more or less volatile than the indexes. All indexes are unmanaged and performance of the indices includes reinvestment of dividends and interest income, unless otherwise noted, are not illustrative of any particular investment and an investment cannot be made in any index.

As a matter of normal and important disclosures to you, as a potential investor, please consider the following. The returns presented reflect hypothetical performance an investor would have obtained had it invested in the manner shown and does not represent returns that an investor actually attained. The back-tested performance was derived from the retroactive application of a model with the benefit of hindsight; this communication was not offered until after the performance period(s) depicted.

Hypothetical back-tested performance has many inherent limitations. As a matter of important disclosure regarding the hypothetical results presented in the accompanying charts and graphs, the following factors must be considered when evaluating the performance figures presented:

1) Historical or illustrated results presented herein do not necessarily indicate future performance; Investment in securities involves significant risk and has the potential for partial or complete loss of funds invested.

2) The results presented were generated during a period of mixed (improving and deteriorating) economic conditions in the U.S. and positive and negative market performance. There can be no assurance that the favorable market conditions will occur again in the future. Navellier has no data regarding actual performance in different economic or market cycles or conditions.

3) The results portrayed reflect the reinvestment of dividends and other income.

The pure gross results portrayed do not include any investment advisory fees, administrative fees, or transaction expenses, or other expenses that a client would have paid or actually paid. The fees reflected in the net performance figures in this presentation may not include administrative fees, or transaction expenses, or other expenses that a client would have paid or actually paid. The fees may also vary depending on the account size and estimated trading costs will be greater for smaller accounts.

FactSet Disclosure: Navellier does not independently calculate the statistical information included in the attached report. The calculation and the information are provided by FactSet , a company not related to Navellier. Although information contained in the report has been obtained from FactSet and is based on sources Navellier believes to be reliable, Navellier does not guarantee its accuracy, and it may be incomplete or condensed. The report and the related FactSet sourced information are provided on an "as is" basis. The user assumes the entire risk of any use made of this information. Investors should consider the report as only a single factor in making their investment decision. The report is for informational purposes only and is not intended as an offer or solicitation for the purchase or sale of a security. FactSet sourced information is the exclusive property of FactSet. Without prior written permission of FactSet, this information may not be reproduced, disseminated or used to create any financial products. All indices are unmanaged and performance of the indices include reinvestment of dividends and interest income, unless otherwise noted, are not illustrative of any particular investment and an investment cannot be made in any index. Past performance is no guarantee of future results.

The views and opinions expressed do not constitute specific tax, legal, or investment or financial advice to, or recommendations for, any person, and the material is not intended to provide financial or investment advice and does not take into account the particular financial circumstances of individual investors. Before investing in any investment product, investors should consult their financial or tax advisor, accountant, or attorney with regard to their specific situation.

Please note that Navellier & Associates and the Navellier Private Client Group are managed completely independent of the newsletters owned and published by InvestorPlace Media, LLC and written and edited by Louis Navellier, and investment performance of the newsletters should in no way be considered indicative of potential future investment performance for any Navellier & Associates product.

DISCLOSURE

NAVELLIER TACTICAL U.S. EQUITY SECTOR PLUS 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 (%)	S&P 500 Benchmark Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	S&P 500 Benchmark 3-Yr Std Dev (%)
2016	771	22.8	3%	221	15.63	13.31	11.96	0.14	10.95	10.59
2015	1,118	12.5	1%	149	-3.13	-5.23	1.38	0.40		
2014	2,107	0.6	<1%	10	14.14	11.74	13.69	N/A[2]		
2013[1]	2,322	0.5	<1%	4	3.41	3.41	1.35	N/A[2]		

[1]Performance calculations for the period ended December 31, 2013 include 1 month of history.
[2]N/A information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

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. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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 Tactical U.S. Equity Sector Plus Wrap Composite includes all discretionary Navellier Tactical U.S. Equity Sector Plus equity accounts managed with similar objectives for a full month, including those accounts no longer with the firm. The strategy is a tactical, defensive portfolio that invests in equity sector ETFs and takes defensive positions by investing in bond ETFs staggered along the yield curve when conditions warrant. The strategy may invest in a cash equivalent, such as money market funds. The strategy uses sine waves to measure the "wave heights" of the market. These sine waves produce signals that indicate when the portfolio should move in and out of stock or bond ETFs. Performance figures that are net of fees take into account advisory fees, wrap fees, 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 December 1, 2013. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees - The management fee schedule for accounts is generally 40 to 100 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 S&P 500 Index. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value. The reported returns reflect a total return for each quarter inclusive of dividends. The asset mix of the composite may not be precisely comparable to the presented indices. Presentation of index data does not reflect a belief by the Firm that the S&P 500 Index, 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. The standard deviation is not presented for 2013 through 2015 because 36 months of history is not available. 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 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.

DISCLOSURE

NAVELLIER TACTICAL U.S. EQUITY SECTOR PLUS FEATURING ALPHADEX® 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 (%)	S&P 500 Benchmark Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	S&P 500 Benchmark 3-Yr Std Dev (%)
2016	771	28.8	4%	274	20.20	18.44	11.96	0.18	11.73	10.59
2015	1,118	13.4	1%	152	-2.58	-4.15	1.38	0.37		
2014	2,107	7.3	<1%	68	15.29	13.22	13.69	0.45		
2013[1]	2,322	0.4	<1%	3	3.64	2.70	1.35	N/A[2]		

[1]Performance calculations for the period ended December 31, 2013 includes 1 month of history.
[2]N/A information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

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. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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 Tactical U.S. Equity Sector Plus featuring AlphaDEX® Wrap Composite includes all discretionary Navellier Tactical U.S. Equity Sector Plus featuring AlphaDEX® equity accounts managed with similar objectives for a full month, including those accounts no longer with the firm. The strategy is a tactical, defensive portfolio that invests in equity sector ETFs and takes defensive positions by investing in bond ETFs staggered along the yield curve when conditions warrant. The strategy may invest in a cash equivalent, such as money market funds. The strategy uses sine waves to measure the "wave heights" of the market. These sine waves produce signals that indicate when the portfolio should move in and out of stock or bond ETFs. Performance figures that are net of fees take into account advisory fees, wrap fees, 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 December 1, 2013. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees - The management fee schedule for accounts is generally 40 to 100 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 returns represented within the composite for the full year.

6. Benchmark - The primary benchmark for the composite is the S&P 500 Index. The S&P 500 consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the index proportionate to its market value. The reported returns reflect a total return for each quarter inclusive of dividends. The asset mix of the composite may not be precisely comparable to the presented indices. Presentation of index data does not reflect a belief by the Firm that the S&P 500 Index, 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. The standard deviation is not presented for 2013 through 2015 because 36 months of history is not available. 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 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.

NAVELLIER TACTICAL LIBERTAS 30 INSTITUTIONAL COMPOSITE

Reporting Currency U.S. Dollar

Year	Firm Assets ($M)	Composite Assets ($M)	Percentage of Firm Assets	Number of Accounts	% of Composite Non-fee Paying	Composite Pure Gross Return (%)	Composite Net Return (%)	Global Balanced Blended Benchmark Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	Global Balanced Blended Benchmark 3-Yr Std Dev (%)
2016	771	12	2%	64	0	11.27	10.56	7.11	0.23	9.10	7.54
2015	1,118	10	<1%	58	0	-7.78	-8.29	0.36	0.44		
2014	2,107	3	<1%	16	2	10.73	10.23	6.85	0.15		
2013[1]	2,322	1	<1%	2	8	12.76	12.62	11.71	N/A[2]		

[1]Performance calculations for the period ended December 31, 2013 includes 6 months of history.
[2]N/A information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

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. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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 Tactical Libertas 30 Institutional Composite includes all discretionary Navellier Tactical Libertas 30 equity accounts managed with similar objectives for a full month, including those accounts no longer with the firm. This global balanced strategy is a tactical, defensive portfolio that has the potential to invest in domestic equity sector ETFs, international ETFs, fixed income ETFs, ETFs representing alternative investments, and takes defensive positions by investing in a cash equivalent, such as money market funds. The strategy can raise up to 100% cash when conditions warrant. All ETFs in the universe are ranked based on a weighted, quantitative multi-factor model relative to the S&P 500 and to cash to determine timing, allocation, positioning, and overall portfolio risk. Based on the model ranking, the strategy typically holds 8 to 10 ETFs. The strategy uses sine waves to measure the "wave heights" of the market. These sine waves produce signals that indicate when the portfolio should move in and out of ETFs and cash. This strategy is more aggressive than other similar Libertas strategies and may have lower allocations. Performance figures that are net of fees take into account advisory fees and any brokerage fees or commissions that have been deducted from the account. Gross-of-fees returns reflect the deduction of transaction costs/commissions, but do not reflect the deduction of any investment management fees. Performance results are total returns and include the reinvestment of all income, including dividends. The composite was created June 30, 2013. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees - The management fee schedule for accounts ranges from 60 to 90 basis points, depending on account size and brokerage selected. 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. Fees are negotiable, and not all accounts included in the composite are charged the same rate. 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 Global Balanced Blended Benchmark is a blended benchmark using the following indices: S&P 500 (45%), MSCI World ex U.S. (25%), and Barclays Capital U.S. Aggregate Bond Index (30%). The benchmark is rebalanced monthly. Prior to July 2013, this blended benchmark was referred to as the Allocator Blended Benchmark. The S&P 500 Index measures the performance of the 500 leading companies in leading industries of the U.S. economy, focusing on the large cap segment of the market, with approximately 75% coverage of U.S. equities. The MSCI World ex U.S. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2014, the MSCI World ex U.S. Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. MSCI World ex U.S. Index targets 85% of the free float adjusted market capitalization. The Barclays Capital U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The returns for the index includes the reinvestment of any dividends and interest income. The asset mix of the composite may not be precisely comparable to the presented index. Presentation of index data does not reflect a belief by the Firm that the Global Balanced Blended Benchmark, 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. The standard deviation is not presented for 2013 through 2015 because 36 months of history is not available. 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 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.

DISCLOSURE

NAVELLIER TACTICAL GLOBAL ALLOCATION PLUS 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 (%)	Global Balanced Blended Benchmark Return (%)	Composite Dispersion (%)
2016	771	0.3	<1%	7	13.13	11.24	7.11	N/A[2]
2015	1,118	0.2	<1%	5	-3.74	-5.52	0.36	N/A[2]
2014[1]	2,107	0.7	<1%	6	9.98	8.73	9.17	N/A[2]

[1]*Performance calculations for the period ended December 31, 2014 includes 11 months of history.*
[2]*N/A information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.*

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. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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 Tactical Global Allocation Plus Wrap Composite includes all discretionary Navellier Tactical Global Allocation Plus equity accounts charged a wrap fee and managed with similar objectives for a full month, including those accounts no longer with the firm. This global strategy is a tactical, defensive portfolio that invests in equity sector ETFs, international ETFs, ETFs representing alternative investments, fixed income ETFs, and takes defensive positions by investing in bond ETFs staggered along the yield curve when conditions warrant. The strategy may invest in a cash equivalent, such as money market funds. The strategy uses sine waves to measure the "wave heights" of the market. These sine waves produce signals that indicate when the portfolio should move in and out of stock or bond ETFs. Performance figures that are net of fees take into account advisory fees, wrap fees, 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 February 1, 2014. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees - The management fee schedule for accounts is generally 40 to 100 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 returns represented within the composite for the full year.

6. Benchmark - The Global Balanced Blended Benchmark is a blended benchmark using the following indices: S&P 500 (45%), MSCI World ex U.S. (25%), and Barclays Capital U.S. Aggregate Bond Index (30%). The benchmark is rebalanced monthly. Prior to July 2013, this blended benchmark was referred to as the Allocator Blended Benchmark. The S&P 500 Index measures the performance of the 500 leading companies in leading industries of the U.S. economy, focusing on the large cap segment of the market, with approximately 75% coverage of U.S. equities. The MSCI World ex U.S. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2014, the MSCI World ex U.S. Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. MSCI World ex U.S. Index targets 85% of the free float adjusted market capitalization. The Barclays Capital U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The returns for the index includes the reinvestment of any dividends and interest income. The asset mix of the composite may not be precisely comparable to the presented index. Presentation of index data does not reflect a belief by the Firm that the Global Balanced Blended Benchmark, 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. The standard deviation is not presented because 36 months of history is not available. 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 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.

DISCLOSURE

NAVELLIER TACTICAL GLOBAL ALLOCATION PLUS FEATURING ALPHADEX® 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 (%)	Global Balanced Blended Benchmark Return (%)	Composite Dispersion (%)	Composite 3-Yr Std Dev (%)	Global Balanced Blended Benchmark 3-Yr Std Dev (%)
2016	771	3	<1%	29	17.28	15.51	7.11	0.13	8.89	7.54
2015	1,118	2	<1%	28	-4.02	-5.48	0.36	0.42		
2014	2,107	3	<1%	22	7.06	5.21	6.85	0.04		
2013[1]	2,322	1	<1%	7	2.00	2.00	6.03	N/A[2]		

[1]Performance calculations for the period ended December 31, 2013 include 3 months of history.
[2]N/A information is not statistically meaningful due to an insufficient number of portfolios in the composite for the entire year.

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. A copy of the verification report is available upon request. 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. Verification does not ensure the accuracy of any specific composite presentation.

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 Tactical Global Allocation Plus featuring AlphaDEX® Wrap Composite includes all discretionary Navellier Tactical Global Allocation Plus featuring AlphaDEX® equity accounts managed with similar objectives for a full month, including those accounts no longer with the firm. This global strategy is a tactical, defensive portfolio that invests in equity sector ETFs, international ETFs, ETFs representing alternative investments, fixed income ETFs, and takes defensive positions by investing in bond ETFs staggered along the yield curve when conditions warrant. The strategy may invest in a cash equivalent, such as money market funds. The strategy uses sine waves to measure the "wave heights" of the market. These sine waves produce signals that indicate when the portfolio should move in and out of stock or bond ETFs. Performance figures that are net of fees take into account advisory fees, wrap fees, 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 November 1, 2013. Valuations and returns are computed and stated in U.S. Dollars.

4. Management Fees - The management fee schedule for accounts is generally 40 to 100 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 Global Balanced Blended Benchmark is a blended benchmark using the following indices: S&P 500 (45%), MSCI World ex U.S. (25%), and Barclays Capital U.S. Aggregate Bond Index (30%). The benchmark is rebalanced monthly. Prior to July 2013, this blended benchmark was referred to as the Allocator Blended Benchmark. The S&P 500 Index measures the performance of the 500 leading companies in leading industries of the U.S. economy, focusing on the large cap segment of the market, with approximately 75% coverage of U.S. equities. The MSCI World ex U.S. Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed markets. As of June 2014, the MSCI World ex U.S. Index consisted of the following 23 developed market country indices: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Hong Kong, Ireland, Israel, Italy, Japan, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, and the United Kingdom. MSCI World ex U.S. Index targets 85% of the free float adjusted market capitalization. The Barclays Capital U.S. Aggregate Bond Index is a broad-based benchmark that measures the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market, including Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS. The returns for the index includes the reinvestment of any dividends and interest income. The asset mix of the composite may not be precisely comparable to the presented index. Presentation of index data does not reflect a belief by the Firm that the Global Balanced Blended Benchmark, 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. The standard deviation is not presented for 2013 through 2015 because 36 months of history is not available. 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 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.