

## About Navellier

### Portfolio Management:

Louis G. Navellier, *Chief Investment Officer*  
Michael J. Borgen, *Senior Portfolio Manager*

**Benchmark:** Russell 1000 (65%) / 3-Month T-bill (35%)

**Firm Background:** Navellier & Associates, Inc. is a registered investment advisor and was founded by Louis G. Navellier. Navellier has published its investment research since 1980, and has managed money for institutions and high net worth individuals since 1987.

**Investment Process:** Navellier Covered Call Income Strategy is based on the popular “buy-write” approach to investing in the equity markets. The buy-write trading strategy involves the simultaneous purchase of equity securities and the writing of call options on these same securities and the subsequent collection of the call premium income. The Navellier strategy combines the innovative Navellier Large Cap Core Tactical strategy with a buy-write option overlay. Because the U.S. markets are enormous, most stocks have monthly options, giving the strategies flexibility. The option selection process focuses on contracts that are “close-to-the-money” and seeks the highest amount of income possible (the target range is 0.10% - 1.00% per month). The expiration dates of the calls vary from 1 to 9 months. An objective of this strategy is to generate income (via the call premiums and dividends) and to limit the volatility of the portfolio. Volatility can be lowered due to the portfolio’s ability to hold higher levels of cash, up to 50%, when conditions warrant.

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## Current Performance

|              | Navellier Covered Call Income (Gross) Institutional Composite | Navellier Covered Call Income (Net) Institutional Composite | Russell 1000® (65%) / 3-Month T-bill (35%) Return (%) |
|--------------|---|---|---|
| 2nd Quarter  | 3.58%   | 3.37%   | 3.00%   |
| Year-to-Date | 12.30%  | 11.94%  | 12.45%  |

Source: Navellier & Associates.

## Key Points

- The **Navellier Covered Call Strategy** utilizes a strategy of buying stocks and the simultaneous writing of call options against them (also known as a “buy-write” strategy).
- We offer two portfolio styles (“Income” and “Growth”) in either a fully-diversified version or a concentrated version
- Two major objectives of the portfolios are the ability to generate income (via the premiums earned on the calls and the dividends) and to limit overall portfolio volatility.
- The portfolios typically consist of well-known companies spanning the market capitalization range. In addition, the portfolios seek companies with low debt levels and high dividends.
- The call premium income goal is 5% - 8% per year for the Income portfolio.
- Many stocks contained in the portfolios pay dividends, generating additional income.
- In a further attempt to limit the volatility of the portfolios, a higher level of cash can be held (up to 50%) if conditions warrant.

## Why A Covered Call Portfolio?

Navellier developed the this **Covered Call Strategy** with two principal purposes:

- 1) Provide the investor with an additional source of income, and/or
- 2) Provide the investor with an added cushion in the event of a market downturn

As such, we believe the portfolios should be viewed in terms of how well they meet these criteria for the investor and not whether the portfolio beats a particular benchmark. The benchmark used for the portfolios was chosen because it most closely approximates what the portfolio is intended to do. It should be viewed as a gauge of the portfolio’s history and not as a number that should necessarily be beaten.

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 dividends and other earnings. See important disclosures at end of document.

NCD-19-974

# Navellier Covered Call Income Portfolio

## NAVELLIER COVERED CALL INCOME INSTITUTIONAL STRATEGY

### Performance Returns

|  | Navellier Covered Call Income<br>(Gross)<br>(Institutional Composite) | Navellier Covered Call Income<br>(Net)<br>(Institutional Composite) | Russell 1000® (65%) /<br>3-Month T-bill (35%) Return (%) |
|--|---|---|--|
| <b>Annualized Returns:</b> through 6/30/2019 |   |   |  |
| Year-to-Date                                 | 12.30%  | 11.94%  | 12.45%   |
| Trailing 1 Year                              | 14.38%  | 13.72%  | 7.53%  |
| Trailing 3 Year                              | 9.78%   | 9.10%   | 9.68%  |
| Trailing 5 Year                              | 6.05%   | 5.49%   | 7.20%  |
| Since Inception<br>(7/1/2014)                | 6.05%   | 5.49%   | 7.20%  |

### Calendar Year Returns

|      |        |        |        |
|------|--------|--------|--------|
| 2018 | 1.63%  | 0.94%  | -2.20% |
| 2017 | 12.39% | 11.76% | 13.99% |
| 2016 | 4.79%  | 4.31%  | 7.99%  |
| 2015 | -2.62% | -3.07% | 0.87%  |

### Quarterly Returns

|            |        |        |        |
|------------|--------|--------|--------|
| 6/30/2019  | 3.58%  | 3.37%  | 3.00%  |
| 3/31/2019  | 8.42%  | 8.30%  | 9.17%  |
| 12/31/2018 | -6.15% | -6.24% | -8.89% |
| 9/30/2018  | 8.52%  | 8.35%  | 4.96%  |
| 6/30/2018  | 4.42%  | 4.28%  | 2.51%  |
| 3/31/2018  | -4.44% | -4.72% | -0.23% |
| 12/31/2017 | 3.41%  | 3.32%  | 4.34%  |
| 9/30/2017  | 2.99%  | 2.80%  | 2.99%  |
| 6/30/2017  | 2.10%  | 1.93%  | 2.07%  |
| 3/31/2017  | 3.36%  | 3.23%  | 3.93%  |
| 12/31/2016 | 0.99%  | 0.83%  | 2.52%  |
| 9/30/2016  | 2.12%  | 2.00%  | 2.66%  |
| 6/30/2016  | 2.27%  | 2.18%  | 1.72%  |
| 3/31/2016  | -0.66% | -0.75% | 0.88%  |
| 12/31/2015 | 4.41%  | 4.31%  | 4.25%  |
| 9/30/2015  | -5.10% | -5.24% | -4.37% |
| 6/30/2015  | 0.54%  | 0.43%  | 0.10%  |
| 3/31/2015  | -2.25% | -2.37% | 1.09%  |
| 12/31/2014 | 0.86%  | 0.71%  | 3.21%  |
| 9/30/2014  | 1.59%  | 1.59%  | 0.45%  |

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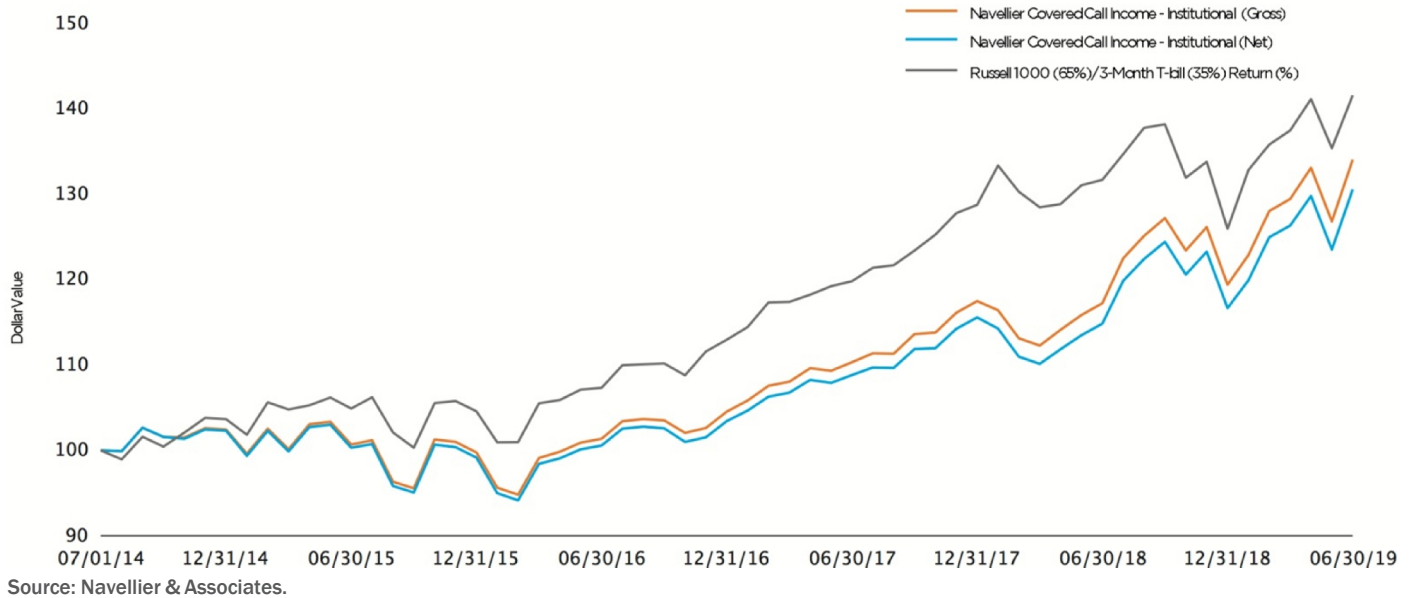
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Source: Navellier & Associates, Navellier Applied Research.

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# Supplemental Information as of 6/30/2019

## NAVELLIER COVERED CALL INCOME INSTITUTIONAL COMPOSITE Growth of 100 Dollars from 7/1/2014 - 6/30/2019



### Portfolio Highlights Covered Call Income

Beta (Relative to S&P 500) **0.61**

Standard Deviation **8.22%**

Beta (Relative to Russell 1000 (65%)  
/3 Month T-Bill (35%)) **0.93**

Source: Navellier & Associates.

### Portfolio Highlights Covered Call Strategy

Forecasted PE **18.07**

Weighted Average Forward 1  
Year Earnings Growth **5.07%**

Weighted Average Market Cap  
(millions) **270,107**

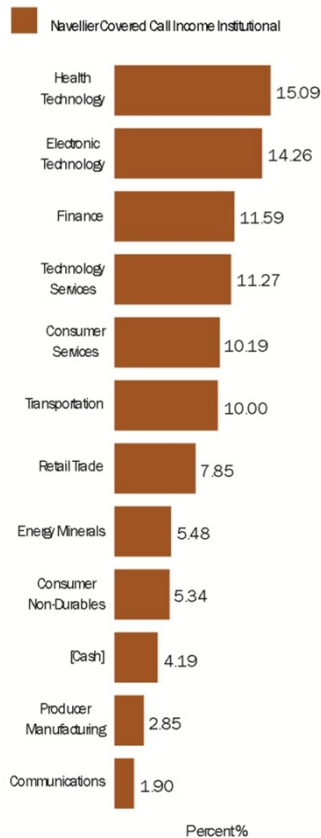
Median Market Cap (millions) **139,930**

Weighted Average Dividend  
Yield **2.28**

# of Holdings **27**

Source: Navellier & Associates.

### Sector Allocation



### Top 10 Stock Holdings Covered Call Model

|     |                       |      |
|-----|-----------------------|------|
| 1.  | Microsoft Corp.       | MSFT |
| 2.  | Union Pacific Corp.   | UNP  |
| 3.  | Intel Corp.           | INTC |
| 4.  | Walt Disney Co.       | DIS  |
| 5.  | Amgen Inc.            | AMGN |
| 6.  | American Express Co.  | AXP  |
| 7.  | McDonald's Corp.      | MCD  |
| 8.  | Bank Of America Corp. | BAC  |
| 9.  | Csx Corp.             | CSX  |
| 10. | Merck & Co.           | MRK  |

Source: Navellier & Associates.

Graphs are for illustrative and discussion purposes only. 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 dividends and other earnings. None of the stock information, data, and company information presented herein constitutes a recommendation by Navellier or a solicitation of any offer to buy or sell any securities. See important disclosures at end of document. 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 were or will be profitable.

# Navellier Covered Call Disclosure

## NAVELLIER COVERED CALL INCOME INSTITUTIONAL COMPOSITE

Reporting Currency U.S. Dollar

| Year              | Firm Assets (\$M) | Composite Assets (\$M) | Percentage of Firm Assets | Number of Accounts | Composite Gross Return (%) | Composite Net Return (%) | Russell 1000® (65%); 3-Month T-bill (35%) Return (%) | Composite Dispersion (%) |
|-------------------|-------------------|------------------------|---------------------------|--------------------|----------------------------|--------------------------|--|--------------------------|
| 2017              | 835               | 7.51                   | <1%                       | 18                 | -12.39                     | 11.76                    | 14.01  | 56.00                    |
| 2016              | 771               | 8.75                   | <1%                       | 23                 | 4.79                       | 4.31                     | 8.02   | 39.00                    |
| 2015              | 1,100             | 7.69                   | <1%                       | 21                 | -2.62                      | -3.07                    | 0.88   | 0.47                     |
| 2014 <sup>1</sup> | 2,107             | 0.81                   | <1%                       | 3                  | 2.46                       | 2.31                     | 3.67   | N/A <sup>2</sup>         |
| 2013 <sup>3</sup> | 2,322             | 0.46                   | <1%                       | 1                  | 4.69                       | 3.63                     | 8.94   | N/A <sup>2</sup>         |
| 2012 <sup>4</sup> | 3,412             | 0.45                   | <1%                       | 1                  | 0.28                       | 0.28                     | 1.24   | N/A <sup>2</sup>         |

<sup>1</sup>Performance calculations for the period ended December 31, 2014 only include 6 months of history. This time period is from 06/30/14 to 12/31/14.

<sup>2</sup>N/A information is not statistically meaningful due to an insufficient number of portfolios for the entire year.

<sup>3</sup>Performance calculations for the period only include 6 months of history. This time period is from 12/31/12 to 6/30/13.

<sup>4</sup>Performance calculations for the period only include 1 full month of history. This time period is from 11/01/12 to 12/31/12.

**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, 2017. 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 Covered Call Income Institutional Composite includes all discretionary Covered Call Income equity accounts that are managed with similar objectives for a full month, including those accounts no longer with the firm. The strategy is designed for aggressive investors and seeks to achieve greater returns than its blended benchmark while minimizing risk and generating income. The "covered call" strategy is one in which an investor writes a call option contract while at the same time owning an equivalent number of shares of the underlying stock. Writing call options generates income in the form of the premium paid for the option to buy the stock at a certain price and date. The stock is generally held in the same brokerage account from which the investor writes the call, and fully collateralizes, or "covers," the obligation conveyed by writing a call option contract. By writing the call option, the owner of the stock is selling a contract to the buyer of the call option, giving the buyer the right to purchase the stock at a given price by a specified date. If the current market value of each security rises above the strike price in the contract, then the buyer will exercise the option, and the stock must be forfeited at the specified price. Additionally, by writing (selling) calls on a portfolio, writers are selling a portion of the stock's ability to appreciate. If the option

expires while the stock's current market value is less than the strike price, the writer will keep the income generated from writing the options. The strategy's goal is to achieve the premium income while forfeiting the least amount of stock appreciation. To generate greater income potential, the strategy will generally write covered calls on all equity positions in the portfolio and will generally focus on higher dividend paying companies. Option trading involves a number of inherent risks and is not suitable for everyone. Investors considering options should consult with a tax advisor. Investors should read the option Clearing Corp's Option Disclosure provided by their brokerage firm or advisor carefully before investing. The strategy typically invests in approximately 20-30 stocks. Cash holdings may vary as widely as 5% to 50%. At any given time, the strategy may hold up to 15% in American Depositary Receipts (ADRs). This strategy is sub-advised by Michael Borgen for the following period: November 2014 to present. There is a date gap in performance - from 6/30/13 to 6/30/14; there were no accounts in the composite. 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, 2014. Valuations and returns are computed and stated in U.S. Dollars.

**4. Management Fees** – The management fee schedule for accounts is generally 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. 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 based on a combination of the Russell 1000® Index and the 3-Month T-bill and is a 65% allocation of the Russell 1000® Index and a 35% allocation of the 3-Month T-bill for each period. The benchmark is rebalanced daily. The

Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index, which represents approximately 92% of the total market capitalization of the Russell 3000® Index. The 3-month T-bill is a short-term debt obligation backed by the U.S. government with a maturity of three months. This blended index is considered a reasonable measure of the general performance of the broad U.S. equity market. The returns for the index includes the reinvestment of any dividends. The asset mix of Navellier Covered Call Income equity accounts may not be precisely comparable to the presented index. Presentation of index data does not reflect a belief by the Firm that the blended 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 2009 through 2011 because 36 months of history were 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 & 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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