

# Fundamental 'A'

FUNDAMENTAL 'A' WRAP COMPOSITE • 2ND QUARTER 2010

## ABOUT NAVELLIER

### Portfolio Management:

Louis G. Navellier, *Chief Investment Officer*  
Shawn Price, *Senior Portfolio Manager*

**Total Product Assets:** \$25.5 million

**Benchmark:** Russell 3000

**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.

**Total Firm Assets:** \$2.2 billion

**Objective:** The Navellier Fundamental 'A' Portfolio seeks long-term capital growth by investing generally in a combination of growth, value, and international stocks of companies which have the potential to rise in price.

**Investment Process:** The portfolio attempts to achieve the highest possible returns while minimizing risk. The portfolio's strategy is to achieve capital appreciation by constructing a portfolio of growth, value, and international securities which are deemed to have "grades" in the top 20 percent as measured in a proprietary model. Our selection process focuses on fast-growing companies that offer innovative products, services, or technologies to a rapidly expanding marketplace. We use an objective, "bottom-up," quantitative screening process designed to identify and select inefficiently priced stocks with superior returns compared to their risk characteristics. Our investment process focuses on "growth" variables including, but not limited to, earnings growth, reinvestment rate, and operating margin expansion.

*Performance results presented herein do not necessarily indicate future performance; 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.*

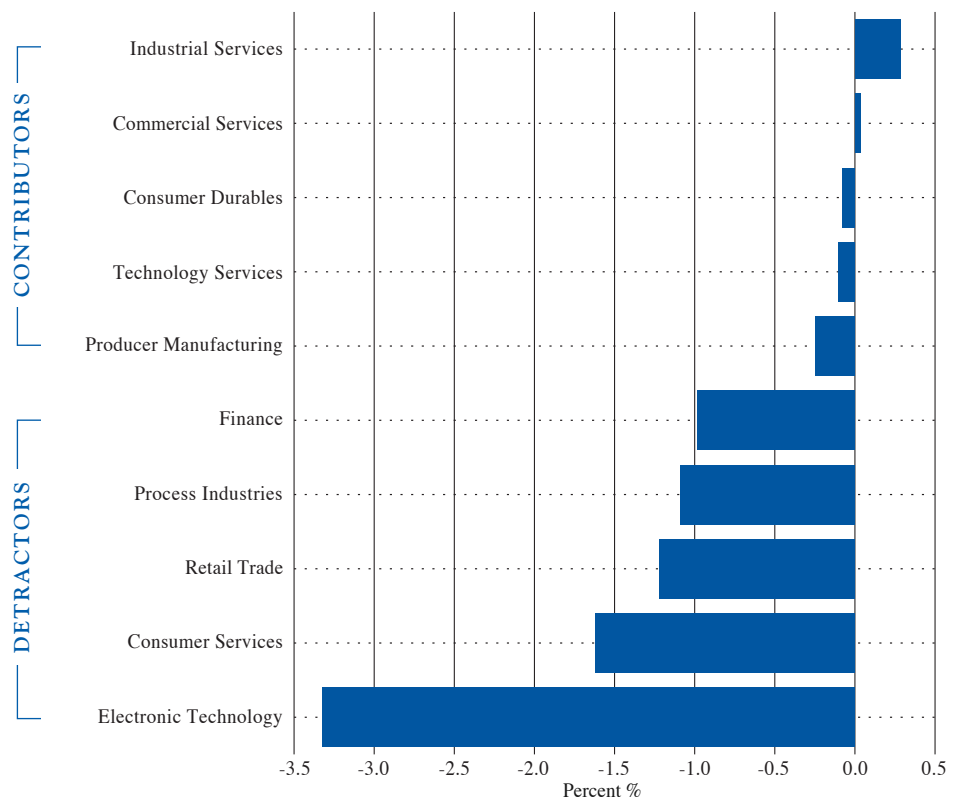
For our complimentary market commentary, please visit [www.navellier.com](http://www.navellier.com) and click on Marketmail or Blogs!

	Navellier Fundamental 'A' (Pure Gross) Wrap Composite	Navellier Fundamental 'A' (Net) Wrap Composite	Russell 3000	S&P 500
2 <sup>nd</sup> Quarter	-10.45%	-10.73%	-11.32%	-11.43%
Year-to-Date	-11.10%	-11.68%	-6.05%	-6.65%

Source: Navellier & Associates, FactSet.

## SUPPLEMENTAL INFORMATION: TOP SECTOR CONTRIBUTORS AND DETRACTORS • FUNDAMENTAL 'A'

■ Contribution to Return - 3/31/2010 - 6/30/2010



Source: Navellier & Associates, FactSet.

The portfolio owned stocks within the industry sectors listed in the above chart. The chart shows the performance of these industry sectors, which have contributed either positively or negatively to overall portfolio performance. Portfolio attribution is taken from the strategy model and not from the composite, and performance, therefore, represents "pure gross" figures that do not take into account any fees or transaction costs.

## PERFORMANCE RETURNS

	Navellier Fundamental 'A' (Pure Gross) Wrap Composite	Navellier Fundamental 'A' (Net) Wrap Composite	Russell 3000	S&P 500
<b>Annualized Returns</b> <i>through 6/30/10</i>				
Year-to-Date	-11.10%	-11.68%	-6.05%	-6.65%
Trailing 1 Year	8.40%	6.95%	15.72%	14.43%
Trailing 3 Year	-17.25%	-18.56%	-9.47%	-9.81%
Trailing 5 Year	-3.77%	-5.26%	-0.48%	-0.79%
Since Inception (6/2004)	-0.41%	-1.91%	1.21%	0.67%
<b>Yearly Returns</b> <i>through 6/30/10</i>				
YTD	-11.10%	-11.68%	-6.05%	-6.65%
2009	37.57%	35.68%	28.34%	26.46%
2008	-53.89%	-54.80%	-37.31%	-37.00%
2007	20.49%	18.76%	5.14%	5.49%
2006	6.72%	5.01%	15.72%	15.79%
2005	13.40%	11.71%	6.12%	4.91%
2004 (7 Months)	18.59%	17.85%	10.21%	9.28%
<b>Quarterly Returns</b> <i>Quarterly Performance beyond 5 years available upon request</i>				
06/30/2010	-10.45%	-10.73%	-11.32%	-11.43%
03/31/2010	-0.73%	-1.06%	5.94%	5.39%
12/31/2009	2.26%	1.89%	5.90%	6.04%
09/30/2009	19.23%	18.86%	16.31%	15.61%
06/30/2009	36.32%	35.87%	16.82%	15.93%
03/31/2009	-17.24%	-17.54%	-10.80%	-11.01%
12/31/2008	-29.20%	-29.81%	-22.78%	-21.94%
09/30/2008	-26.08%	-26.36%	-8.73%	-8.37%
06/30/2008	8.41%	8.00%	-1.69%	-2.73%
03/31/2008	-18.72%	-19.04%	-9.52%	-9.44%
12/31/2007	-6.13%	-6.47%	-3.34%	-3.33%
09/30/2007	7.05%	6.64%	1.55%	2.03%
06/30/2007	14.02%	13.65%	5.77%	6.28%
03/31/2007	5.16%	4.78%	1.28%	0.64%
12/31/2006	5.16%	4.76%	7.12%	6.70%
09/30/2006	-8.78%	-9.14%	4.64%	5.67%
06/30/2006	-4.44%	-4.92%	-1.98%	-1.44%
03/31/2006	16.43%	16.04%	5.31%	4.21%
12/31/2005	0.74%	0.38%	2.04%	2.09%
09/30/2005	12.96%	12.58%	4.01%	3.60%

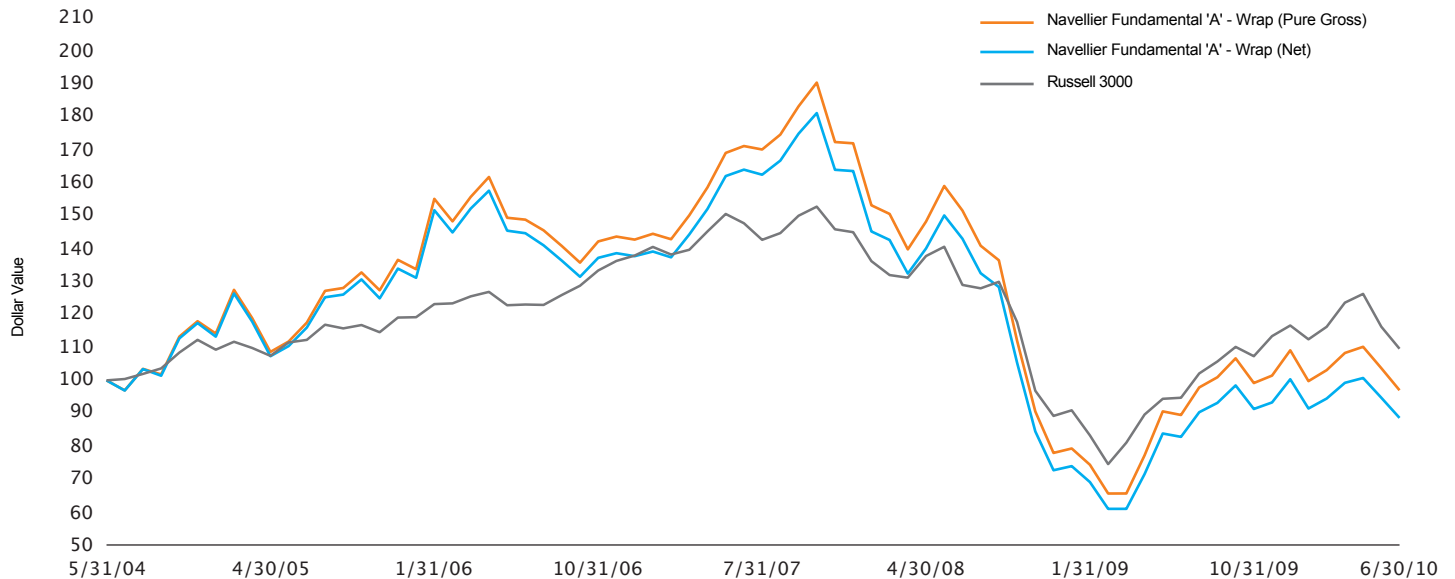
Source: Navellier & Associates, FactSet.

Performance results presented herein do not necessarily indicate future performance; 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.

SUPPLEMENTAL INFORMATION

NAVELLIER FUNDAMENTAL 'A' WRAP COMPOSITE

Growth of 100 Dollars from 5/31/2004 - 6/30/2010



Source: Navellier & Associates, Zephyr StyleADVISOR.

PORTFOLIO HIGHLIGHTS

Forecasted P/E	11.18
Average Forward 1 Year Earnings Growth	17.98%
Average Market Cap (millions)	10,843
Median Market Cap (millions)	2,189
Dividend Yield	0.70
Average Number of Holdings	30-40
Beta <sup>1</sup>	1.31
Alpha <sup>1</sup>	-1.49
Standard Deviation <sup>2</sup>	25.22
R-Squared <sup>1</sup>	67.52
Average Annual Turnover <sup>3</sup>	221%

<sup>1</sup>Calculated vs. Russell 3000 since inception.

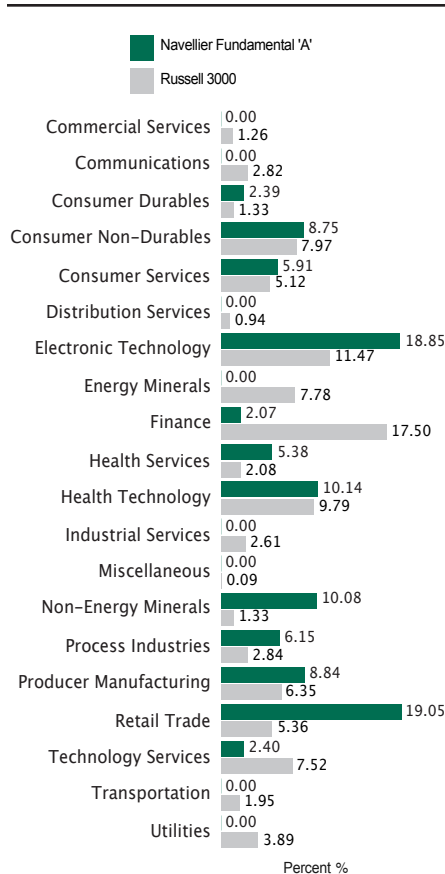
<sup>2</sup>Annualized standard deviation since inception

<sup>3</sup>Average Annual Turnover Since Inception. For Quarter, 1, 3, and 5 year turnover, go to [www.navellier.com/downloads/turnover.pdf](http://www.navellier.com/downloads/turnover.pdf)

Current portfolio characteristics can be found at [www.navellier.com/individual\\_investor/pa\\_portfolio\\_fundamentals.aspx](http://www.navellier.com/individual_investor/pa_portfolio_fundamentals.aspx), updated weekly.

Source: Navellier & Associates, FactSet.

SECTOR ALLOCATION



Source: Navellier & Associates, FactSet.

TOP 10 STOCK HOLDINGS

1.	Medifast Inc	MED
2.	Hi Tech Pharmacal Co Inc	HITK
3.	Aeropostale Inc	ARO
4.	Apple Inc	AAPL
5.	Newmont Mining Corp	NEM
6.	Carmax Inc	KMX
7.	Impax Laboratories Inc	IPXL
8.	Dollar Tree Inc	DLTR
9.	Continucare Corp	CNU
10.	Viacom Inc	VIA.B

Source: Navellier & Associates, FactSet.

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## DISCLOSURE

### NAVELLIER FUNDAMENTAL 'A' WRAP COMPOSITE

Reporting Currency U.S. Dollar | June 30, 2010

Year	Total Firm Assets (\$ Millions)	Total Composite Assets (\$ Millions)	Percentage of Firm Assets	Accounts at Year-End	Pure Gross Annual Return (%)	Net Annual Return (%)	Russell 3000® Index Annual Return (%)	S&P 500 Index Annual Return (%)	Annual Composite Dispersion (%)
2009	2,643	19	<1%	79	37.57	35.68	28.34	26.46	0.73
2008	2,678	19	<1%	117	-53.89	-54.80	-37.31	-37.00	0.81
2007	4,712	57	<1%	154	20.49	18.76	5.14	5.49	1.66
2006	4,376	50	<1%	156	6.72	5.01	15.72	15.79	1.67
2005	4,065	38	<1%	111	13.40	11.71	6.12	4.91	0.73
2004 <sup>1</sup>	2,385	17	<1%	23	18.59	17.85	10.21	9.28	N/A <sup>2</sup>

<sup>1</sup>Performance calculations for the period ended December 31, 2004 only includes 7 months of history.

<sup>2</sup>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. has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Navellier & Associates, Inc., has been verified for the periods January 1, 1995 through June 30, 2009 by Ashland Partners & Company LLP. A copy of the verification report is available upon request.

**2. Definition of Firm** – Navellier & Associates, Inc. is a registered investment adviser established in 1987. Navellier & Associates, Inc. manages a variety of equity assets for primarily U.S. and Canadian institutional and retail clients.

**3. Composite Description** – The Navellier Fundamental “A” Wrap Composite includes all discretionary Fundamental “A” 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 composite does not include any accounts or assets that are traded by third parties utilizing the Navellier Fundamental “A” Model. There is no minimum account size for inclusion in the composite. Performance is calculated on a “time-weighted” and “asset-weighted” basis. 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. “Pure” gross-of-fees returns do not reflect the deduction of any trading costs, fees, or expenses, and are presented only as supplemental information. Therefore, actual returns will be reduced by advisory and other expenses incurred. Performance results are total returns and include the reinvestment of all income, including dividends. There have been no significant firm events that would affect the performance of the composite. The composite was created March 31, 2005. Valuations and returns are computed and stated in U.S. Dollars. Portfolio valuation sources are IDC, Factset, and Thompson. Performance is calculated using the “Modified Dietz Method.” At any given time, the composite may hold up to 15% in American Depository Receipts (ADRs). Additional information regarding policies for calculating and reporting returns is available upon request.

**4. Management Fees** – The management fee schedule for accounts is generally 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. The bundled fees 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 II 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 Russell 3000® Index. The Russell 3000® Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. 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 general performance of the broad U.S. equity market. The returns for the Russell 3000® and S&P 500 indices include the reinvestment of any dividends. The asset mix of Fundamental “A” 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 3000® 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** – 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. **Performance results presented herein do not necessarily indicate future performance. 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. The results presented were generated during a period of generally improving economic conditions in the U.S. and positive market performance. There can be no assurance that these favorable market conditions will occur again in the future. Navellier has no data regarding actual performance in different economic or market cycles or conditions. 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 request. For a list of recommendations made by Navellier & Associates, Inc. for the preceding twelve months or to receive a complete list and description of Navellier & Associates, Inc.’s investment composites, contact Tim Hope at (800) 365-8471, extension 416, or write to Navellier & Associates, Inc., One East Liberty, 3<sup>rd</sup> Floor, Reno, NV 89501, or e-mail timh@navellier.com.

All Information contained herein is stated as of the date referenced at the top of this page unless indicated otherwise. Past performance is no guarantee of future results.

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