

Navellier 10% of Profits Fee Agreement Illustration

Accredited investors may find that the Navellier 10% of Profits Fee Agreement is an attractive alternative to the standard annual fixed rate fee arrangement.

Our incentive-fee accounts are on an annual billing cycle. This means that every year, on the anniversary of the account-opening date, Navellier will look at the value of the account. If it is profitable, Navellier will bill for 10% of those profits (net of all bank and brokerage fees). If it is down, a management bill will not be sent. (Please see the actual fee agreement form for complete details and disclosures.)

Below is an example of how the Navellier 10% of profits fee agreement works for qualified clients (non-ERISA investors who select the incentive-fee arrangement must have a net worth of \$1.5 million or more or at least \$750,000 under management):

<u>End of Year</u>	<u>Value</u>	<u>10% Incentive Fee</u>
1	\$118,000	\$1,800
2	\$112,000	\$0
3	\$140,000	\$2,200
4	\$175,000	\$3,500
5	\$160,000	\$0
6	\$174,500	\$0
7	\$225,000	\$5,000
8	\$220,000	\$0
9	\$253,000	\$2,800
10	\$310,585	\$5,758

Assumptions

Beginning Value	\$100,000
Average Market Growth Rate:	12%

Amounts in **bold** represent a new “high water mark” for fee calculations. The “high water mark” means that Navellier has to continue to build the account higher than the highest level reached on any previous billing date, if Navellier wants to continue billing the account.

The illustration above is merely an educational example of how the fee agreement can work and is not meant to imply specific investment returns or results. In the interest of a full and fair disclosure and fully informed consent, the following possibilities may arise from an incentive fee based on performance: 1. Incentive fee arrangements may cause Navellier to make investments that are more risky or more speculative than might be the case in the absence of a fee based on performance. 2. Investors are advised that Navellier may receive increased compensation (compared to a fixed fee) based on unrealized appreciation as well as realized gains on assets in the client's account. 3. Not all brokerage firms or custodians are able to provide services equally. In this respect Navellier may reserve the right to withhold the offer of providing investment management services under those circumstances whereby Navellier believes that effective trading of client accounts may be impeded by inefficient trading systems, unique billing requirements or other operational difficulties associated with certain brokerage firms.

To be eligible for an investment fee arrangement, investors must be "qualified investors," as defined in Rule 205-3d of the Investment Advisors Act of 1940.