

**ZACKS INVESTMENT MANAGEMENT**

**Personalized Wealth  
Management**

**INDEPENDENT  
Research | Thinking | Results**

# ZACKS INVESTMENT MANAGEMENT

## HIGHLIGHTS:

ZACKS INVESTMENT MANAGEMENT HAS A RESPECTED TRACK RECORD OF EXCEPTIONAL ASSET MANAGEMENT FOR OUR CLIENTS

CLIENTS AT ZACKS INVESTMENT MANAGEMENT BENEFIT FROM A PERSONALIZED ALLOCATION PROCESS

IN 2010, ZACKS INVESTMENT MANAGEMENT WAS DECLARED *MANAGER OF THE DECADE* FOR OUR FLAGSHIP STRATEGY

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**Zacks Investment Management**, a wealth management boutique, is an expert on earnings and using earnings estimates in the investment process. We are a wholly owned subsidiary of our parent company, Zacks Investment Research, one of the largest providers of independent research in the U.S.

We are committed to providing comprehensive personalized wealth management solutions to all of our clients through the use of equity and fixed income portfolios. Client portfolios are managed using a combination of Zacks independent research and Zacks quantitative models. Through our personalized investment process we provide all clients with the level of customization and personalization that they desire.

THE BENEFITS OF

# Investing with Zacks

OUR COMMITMENT TO INDEPENDENCE KEEPS US FOCUSED ON  
WHAT IS BEST FOR YOU.

**Independence:**  
**We provide unbiased advice**

FOR OVER 30 YEARS, Zacks Investment Research has provided equity research to individual and institutional investors. Firms including Morgan Stanley, UBS, Piper Jaffray, and Deutsche Bank have turned to Zacks to provide its investment research to their clients.

We believe that the strong ties most analysts have to investment banking interests make it difficult, if not impossible, for them to be fully objective. Zacks, on the other hand, does not have these biases.

As a subsidiary of Zacks Investment Research, our portfolio managers are able to use this independent, unbiased investment research to manage your portfolio.

**Personalization:**  
**Get exactly what you need**

ZACKS INVESTMENT MANAGEMENT personalizes your portfolio through a highly customized investment management process based on your specific needs and objectives. Your assets will not be placed in a static, pre-determined lifestyle fund or asset allocation model as is the case with many other investment firms. Instead, your Personal Investment Consultant, in conjunction with a member of the Investment Committee, will determine your initial asset allocation based on your financial needs. A customized portfolio is then constructed that is ideally suited to achieve your goals. Your Personal Investment Consultant monitors your portfolio and works with the Investment Committee to adjust it based on changes in your financial situation.

Through this asset allocation process we are able to achieve true diversification and personalization of your portfolio within a separately managed account platform.

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*By conducting a diligent  
asset allocation process, we  
are able to achieve true  
diversification and  
personalization of  
your portfolio.*

OUR PARENT COMPANY,  
ZACKS INVESTMENT RESEARCH,  
IS ONE OF THE LARGEST  
INDEPENDENT RESEARCH  
FIRMS IN THE U.S.

## Investment Expertise: Innovative thinking in investment research for your portfolio

ZACKS INVESTMENT MANAGEMENT is committed to identifying, developing and using the best-in-class investment research to manage our clients' portfolios. This commitment to excellence enables us to make the best investment decisions and provide you with optimal performance.

In 1978 our CEO, Len Zacks, published a seminal article which first documented the value of using earnings estimate revisions to select stocks. A few years later we originated the concept of the EPS surprise which has now become widely used in the investment industry. This work led, in 1982, to the development of the Zacks Performance Rank, a proprietary stock-ranking model which is the core of the Zacks Investment Philosophy.

At Zacks, we develop and refine our own proprietary quantitative models and review hundreds of academic investment research articles each year in order to uncover new insights into making investment decisions.

## Innovation

ZACKS INVESTMENT RESEARCH continues to provide significant innovations to the investment community. Below are some landmark dates for the firms.

- 1979:** First company to track analysts' quarterly EPS estimates
- 1981:** Created the concept of the Earnings Surprise
- 1982:** Created the Zacks Performance Rank, a model based on earnings estimate revisions and earnings surprises
- 1989:** First company to begin measuring the accuracy of analyst EPS forecasts and broker recommendations
- 1992:** Zacks Investment Management is formed to manage portfolios for institutional and high-net-worth investors
- 1997:** Created Zacks model to predict EPS more accurately than the consensus
- 1999:** The first company to develop Sales Estimates, Sales Surprises™ and Target Price data
- 2002:** Zacks.com surpasses over half a million registered users
- 2003:** "Ahead of the Market" by Mitch Zacks is published by Harper Collins outlining the Zacks Philosophy
- 2005:** First company to develop a semi-active index for micro cap stocks
- 2008:** Zacks Investment Management launches the Market Neutral mutual fund
- 2010:** Zacks Investment Management declared *Manager of the Decade* by PSN

## Performance:

**We seek to deliver superior results for your portfolio - in every market cycle**

OUR STOCK SELECTION PROCESSES are based on **proven proprietary models** developed by Zacks through years of research and refinement. Our experienced portfolio managers couple this disciplined, quantitative approach with fundamental analysis and expert judgment.

As an investment management boutique, we are able to buy and sell positions efficiently. Unlike firms that manage hundreds of billions of dollars, and require several weeks to amass a position in a new stock, our traders are able to add a full position of a new stock to your portfolio within a few days – with little or no price impact.

ZACKS

# Delivers Performance

ZACKS INVESTMENT MANAGEMENT EARNS PSN *MANAGER OF THE DECADE*: ZACKS INVESTMENT MANAGEMENT WAS DECLARED *MANAGER OF THE DECADE* FOR OUR FLAGSHIP STRATEGY, THE ZACKS RANK STRATEGY, IN THE ALL CAP CORE EQUITY UNIVERSE. THIS ACCOLADE WAS AWARDED TO THE TOP TEN PERFORMING MANAGERS IN THE ALL CAP CORE EQUITY UNIVERSE FOR THE TEN YEAR PERIOD ENDING DECEMBER 31, 2009 <sup>1</sup>

Our **automatic tactical asset allocation among equity styles** enables Zacks to deliver continuing performance in U.S. Equity portfolios. Guided by the changing focus of the Zacks Performance Rank, our portfolio managers can shift assets among large, mid, and small cap stocks as well as growth and value stocks. The end result is a multi-cap, active management approach which we believe is responsible for our exceptional track record in managing U.S. Equity portfolios.

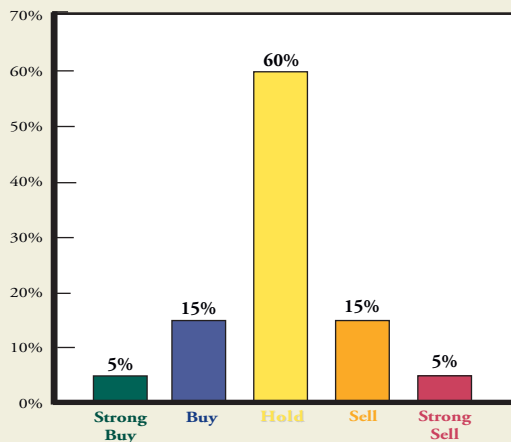
Our **active management approach** means that we monitor our investment strategies and identify opportunities and trouble spots for you quickly. Instead of the “buy and hold” mentality, we have a strong buy **and** sell discipline so you can be confident that we will adjust your portfolio as necessary to maximize your investment returns.

## Why Independent Research Matters

Our parent company, Zacks Investment Research, pioneered investment research related to earnings and developed The Zacks Performance Rank, one of the most powerful stock ranking systems in the industry.

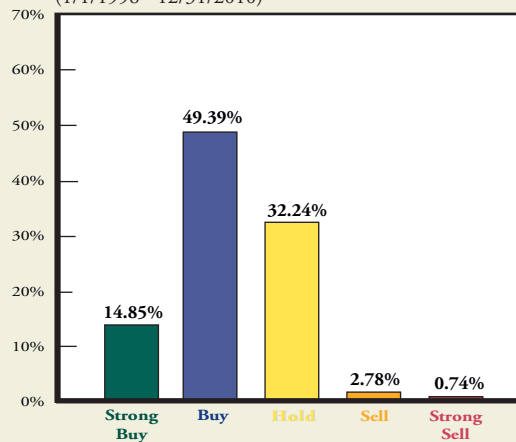
The Zacks Performance Rank, which is the core of the Zacks investment philosophy, uses a quantitative model related to earnings estimates to classify stocks into five groups. Only 5% of the stock universe will be a Zacks #1 Rank (strong buy). More importantly, at all times, approximately the same number of stocks are assigned a Zacks #5 Rank (strong sell). We believe this equality between strong buy and strong sell recommendations makes the Zacks Performance Rank a more reliable indicator than individual brokerage recommendations.

**DISTRIBUTION OF ZACKS PERFORMANCE RANK**



**AVERAGE BROKER RECOMMENDATION**

(1/1/1998 - 12/31/2010)



## ZACKS PERSONALIZED INVESTMENT PROCESS

# How It Works For You

ZACKS INVESTMENT MANAGEMENT OFFERS PERSONALIZED INVESTMENT PORTFOLIOS FOR OUR CLIENTS THROUGH A SEPARATELY MANAGED ACCOUNT STRUCTURE. WE USE A DISCIPLINED APPROACH SO WE CAN STRIVE TO ALWAYS MEET YOUR NEEDS.

### Due Diligence and Strategic Asset Allocation:

YOU WILL WORK WITH a dedicated Zacks Investment Consultant who follows an extensive evaluation process to understand your specific investment needs. A member of the Investment Committee, together with your consultant, determines the best mix of your assets across asset classes – you are not placed in a pre-determined allocation bucket. Effective asset allocation integrates long-term decisions based on quantitative models which formalize the tradeoff between risk and return.

### Portfolio Construction and Customization:

WE THEN CONSTRUCT a diversified personalized portfolio designed to reflect your individual investment needs. Your Personal Investment Consultant will also work closely with you and the Zacks portfolio managers to customize your account to reflect specific requirements such as your need for income, your desire to exclude or include certain types of companies, and your tax situation. We aim to create a diversified portfolio that works toward achieving your long-term investment goals.

### Investment Strategies:

NEXT WE IMPLEMENT your strategic asset allocation using a variety of equity and fixed income strategies covering all asset classes. These strategies leverage the power of our proven proprietary ranking models, including the Zacks Rank, as well as the expertise of our portfolio managers.

### Review and Rebalance:

YOUR PERSONAL INVESTMENT CONSULTANT will review your portfolio on a regular basis; will always be available to address your financial questions; and will provide you with performance reviews as frequently as you need. Your consultant will also communicate any changes in your financial situation to a member of the Zacks Investment Committee.

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#### ZACKS PERSONALIZED INVESTMENT PROCESS



# THE Investment Committee

THE ZACKS INVESTMENT COMMITTEE IS COMPRISED OF FOUR INDIVIDUALS, EACH WITH DIFFERENT PERSPECTIVES AND EXPERTISE. A MEMBER OF THE COMMITTEE WORKS WITH YOUR PERSONAL INVESTMENT CONSULTANT TO DEFINE YOUR STRATEGIC ASSET ALLOCATION, SET INVESTMENT POLICIES WITH RESPECT TO YOUR ACCOUNT AND THEN MONITOR YOUR PORTFOLIO ON A REGULAR BASIS.

The portfolio managers, Ben Zacks and Mitch Zacks, bring investing and product expertise to the Investment Committee.



**BEN ZACKS, SENIOR INVESTMENT STRATEGIST**

Ben is the core of our investment team. He is our Senior Strategist and Portfolio Manager whose prescient market calls have earned him the respect of his clients and his peers. Ben, who is a nationally

known expert on corporate earnings, was a co-founder of our parent company, Zacks Investment Research in 1978, and prior to that was with Merrill Lynch. Ben has been featured extensively in the financial media including CNBC, CNN, and CNNfn, and quoted in *The Wall Street Journal*, *The New York Times*, *The Chicago Tribune*, *Financial World*, *Smart Money* and *Worth* magazines.



**MITCH ZACKS, DIRECTOR OF MODEL DEVELOPMENT**

Mitch is the firm's primary expert in the area of quantitative investing and is responsible for developing the firm's proprietary models and managing many of our portfolios. Mitch is a noted columnist and

speaker on the subject of wealth management. Mitch joined Zacks in 1997 as a quantitative analyst and in 1998 became Director of Investment Model Development. Prior to joining Zacks, Mitch was an investment banking analyst with Lazard Freres in New York. Mitch is the author of *Ahead of the Market*, published by Harper Collins.

THE ZACKS INVESTMENT COMMITTEE APPLIES A WEALTH OF KNOWLEDGE AND EXPERTISE TO YOUR INVESTMENT MANAGEMENT PROCESS.

**Manish Jain brings Fixed Income expertise to the Investment Committee.**



**MANISH JAIN, FIXED INCOME PORTFOLIO MANAGER**

Manish is involved in the management of all income related investment strategies. Through these various investing vehicles, he brings over 17 years of experience in the financial services industry to the table. Prior to joining Zacks, Manish

was an Investment Manager for a regional bank in Southeast Ohio managing its investment portfolio and also served as a Portfolio Manager in its Trust Department.

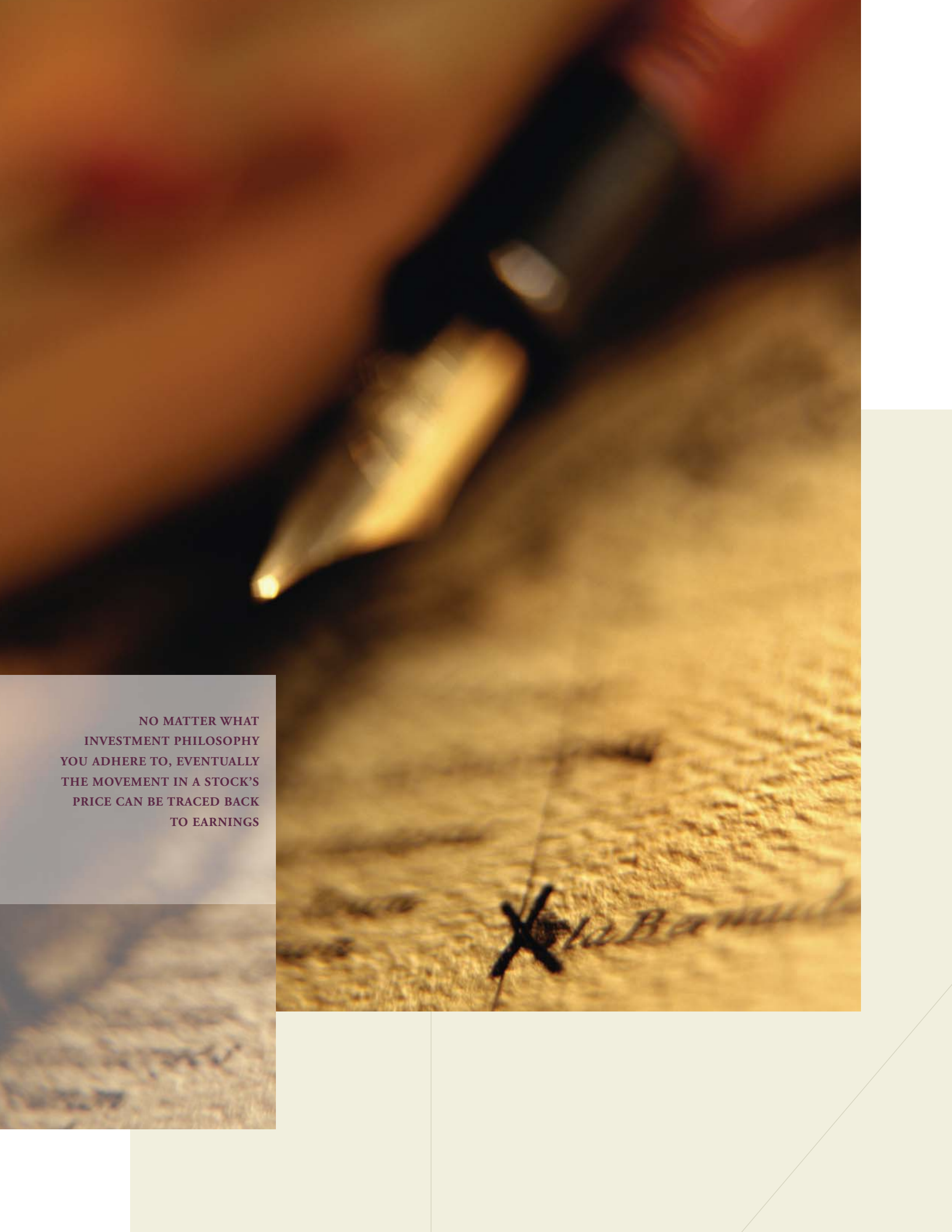
**Chris Varvares brings macroeconomic expertise to the Investment Committee.**



**CHRIS VARVARES, CFA, CONSULTING ECONOMIST**

Chris, our consulting economist, is the President of Macroeconomic Advisors, a well-regarded econometric consulting firm. Chris and his firm have received numerous honors as the developers of the most accurate econometric

forecasting model for interest rates, credit spreads and inflation. Chris also served as a staff member of the President's Council of Economic Advisors.



NO MATTER WHAT  
INVESTMENT PHILOSOPHY  
YOU ADHERE TO, EVENTUALLY  
THE MOVEMENT IN A STOCK'S  
PRICE CAN BE TRACED BACK  
TO EARNINGS



# Invest with Zacks

BY INVESTING WITH ZACKS INVESTMENT MANAGEMENT YOU WILL BENEFIT FROM OUR EXPERIENCED PORTFOLIO MANAGERS AND OUR PERSONALIZED APPROACH.

THOUSANDS OF PEOPLE have invested with Zacks Investment Management; tens of thousands use our parent company's research; millions use their data; and billions of dollars are managed by institutional investors using the quantitative models developed by Zacks Investment Research.

As a client you can have confidence in our adherence to independent research and thinking. You can be confident that we will approach your portfolio with the single-mindedness and focus to get it right. We do not use a standard template to manage our clients' investments, but instead personalize each portfolio based on our clients' unique needs. With a committed team of analysts, investment managers and a dedicated investment consultant, we are confident that you will enjoy the results of our efforts.

Let us help you leverage the power of the Zacks philosophy. To establish a relationship, just contact Zacks Investment Management and a seasoned investment consultant will personally handle your account. Call 800-245-2934 and ask for the Wealth Management Group.

CALL ZACKS  
INVESTMENT  
MANAGEMENT  
TODAY AT  
800-245-2934

## Custody and Trading

Zacks Investment Management is a registered investment advisor and we do not take physical custody of your assets. Zacks has established relationships with several brokerage firms, and instructs them to execute trades within your account.

Brokerage accounts are insured through the Securities Investor Protection Corporation (SIPC) up to \$500,000. Excess SIPC coverage varies per relationship. Call us today for details.





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### DISCLOSURE

#### PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

Separately managed account minimum apply. Standard management fees are available on request and are described in Part II of Form ADV. Investments in Zacks Strategies are not deposits of any bank, are not guaranteed by any bank, are not insured by FDIC or any other agency, and involve investment risks, including the possible loss of the principal amount invested.

**<sup>1</sup> PSN RANKING:** This information is distributed for informational purposes only; to notify readers of a PSN ranking. The results submitted to PSN portray the performance history for a representative managed separate account gross of fees, and do not include the deduction of investment advisory fees. An investor's actual return will be reduced by the advisory fees and any other expenses which may be incurred in the management of an investment advisory account. Upon request, Zacks Investment Management will provide gross and net performance information for the Rank Strategy. The returns are compared to the S&P 500, which is a market-capitalization weighted index that includes the 500 most widely held companies chosen with respect to market size, liquidity, and industry. The representative account's holdings may differ significantly from the securities that comprise the S&P 500 Index. Individual results may differ.

PSN and Informa Investment Solutions have no affiliation with Zacks, but rather evaluate investment managers' performance on an objective basis. For the ten year period ending December 31, 2009, PSN Manager of The Decade products, must have an R-Squared of 0.80 relative to the style benchmark, have returns greater than the style benchmark and also Standard Deviation less than the style benchmark. At this point, the top ten performers for the latest 10 year period ending December 31, 2009 become the PSN Top Guns Manager of the Decade. Results for Zacks Rank Strategy are shown net of fees. Results for the Strategy reflect the reinvestment of dividends and other earnings.