



Zacks Market Neutral Fund

Mutual Fund
Investor Guide

The Fund's investment objective is to generate positive returns in both rising and falling equity markets. The Fund will simultaneously invest in long and short positions to minimize portfolio exposure to overall equity market risk.

This mutual fund may be appropriate for investors:

- seeking to generate returns that are independent of the direction of the stock market
- seeking a portfolio with low correlation to traditional equity and fixed income investments
- seeking a fund with a lower risk profile than most equity asset classes
- seeking capital preservation

There can be no assurance that the Fund will achieve its investment objective.
The value of the Fund will fluctuate with the value of the underlying securities.



What Is A Market Neutral Fund?

A fund employing a market neutral strategy is one that seeks to remove the risk involved in the equity market by simultaneously investing in a long portfolio (stocks anticipated to appreciate in price), and a short portfolio (stocks anticipated to decline in price). Thus the fund is not dependent on moves in the equity market but rather on how the individual stocks are performing. The fund also generates additional return in the form of a short rebate, which is an interest payment made on the value of the short positions.

By investing in both long and short positions the fund's investors may benefit from both a manager's positive and negative stock views. A market neutral fund seeks to generate returns somewhere between cash and the equity market, with reduced risk. The objective is not to beat the market, although there may be times when this happens.

THE POTENTIAL BENEFIT OF THE STRATEGY IN AN UP MARKET

In a hypothetical situation, let's say the market has appreciated in value. On average all stocks will appreciate in value. A successful fund seeks to add value through buying stocks long which go up more than the stocks sold short.

Here, although the short positions will negatively affect performance, the fund's aim is to produce a net positive return.

THE POTENTIAL BENEFIT OF THE STRATEGY IN A DOWN MARKET

In another hypothetical situation, let's say the market has declined in value. On average all stocks will decline in value. A successful fund seeks to add value through buying stocks long which go down less than the stocks sold short.

Here, the long positions will negatively affect performance, but the fund's aim is still to produce a net positive return.

A Fund Built On a Proven Investment Process

The Zacks Market Neutral Fund (the "Fund") has been designed to utilize the same process that Zacks Investment Management has been using for over a decade to manage long and short portfolios. We thoroughly understand the intricacies of selling stocks short, a skill that we believe most portfolio managers lack.

We follow a disciplined quantitative process to identify potential holdings, and then perform an extensive fundamental analysis for each position and employ strict risk controls. The fund is neutralized on over several different factors in an effort to eliminate "market" risk.

Long Component:

Zacks purchases in long positions poised to increase in stock price based on a strategic investment process.

- ▶ **OBJECTIVE:** Invest in long positions that are poised to outperform
- ▶ **MULTI-FACTOR PROCESS:** Select stocks poised to outperform by applying a hybrid research process using both quantitative and qualitative criteria
- ▶ **DIVERSIFIED:** Positions diversified from a pool of securities in more than a dozen industry sectors

Short Component:

Zacks sells short in positions poised to decrease in stock price based on multi-factor analysis.

- ▶ **OBJECTIVE:** Sell short positions poised to underperform
- ▶ **MULTI-FACTOR PROCESS:** Select stocks poised to underperform by applying a hybrid research process using both quantitative and qualitative criteria
- ▶ **DIVERSIFIED:** Positions diversified from a pool of securities in more than a dozen industry sectors

Short Interest Rebate:

As an institutional portfolio manager, Zacks is able to receive a short interest rebate for fund shareholders.

- ▶ **EARN INTEREST** on the value of the short stocks
- ▶ **THIS INTEREST ADDS** to the total return of the portfolio

The result of this process is a dynamic, disciplined, risk controlled portfolio.

Primary Risk Considerations. The Fund is new and has a limited history of operations. An investment in the Fund is subject to risks, and you could lose money on your investment. There can be no assurance that the Fund will achieve its investment objectives. There is a risk that the value of the Fund's stocks may fall due to general market and economic conditions and perceptions regarding the industries and or companies in which the Fund is invested.

There are risks involved in selling stocks short including the possibility that the Fund may not be able to close out a short position at a particular time or at a particular price. The Fund's loss on a short sale is limited only by the maximum attainable price of the security (which could be limitless) less the price the Fund paid for the security at the time it was borrowed.

The Fund may invest in stocks of companies of any size. Small- or mid-cap stocks may exhibit more erratic market and trading movements than larger stocks or the overall market. Small- and mid-cap companies can also be less liquid, making it more difficult for the managers to sell positions at the time they may wish.

Please read the prospectus for more detailed information.

Experienced and Disciplined Management

ZACKS INVESTMENT MANAGEMENT

Headquartered in Chicago, Zacks Investment Management ("Zacks") is a wholly-owned subsidiary of the independent research firm, Zacks Investment Research. Zacks is privately held and is known for its analysis of investment data and for its independent equity research capabilities.



"We buy stocks with improving fundamentals and short stocks with deteriorating fundamentals; while maintaining strict neutrality."

— Ben Zacks,
Senior Portfolio Manager

The Zacks Difference

1 Independence

Zacks' portfolio management is based on a rigorous, independent and unbiased research methodology.

2 Active Management

The managers review the portfolio regularly. To maintain neutrality, the fund is market neutral on several factors including dollar, beta, capitalization, sector, industry, yield, market indices, growth and value.

3 Discipline

The managers follow a methodical process to ensure low correlation to the stock market in order to seek positive returns in both rising and falling equity markets.

Investment Philosophy

Zacks believes that just as the broader markets are driven by investors' expectations of interest rates, inflation and economic growth, each individual company's stock price is also driven by expectations. The most critical expectations are the projected earnings for the current quarter, the current fiscal year and the next fiscal year. Statistical studies indicate that when analysts' earnings estimates for a company are revised upward, the stock, on average, will outperform the market. Conversely, if earnings estimates for a company are revised downward, the stock, on average, will underperform the market.

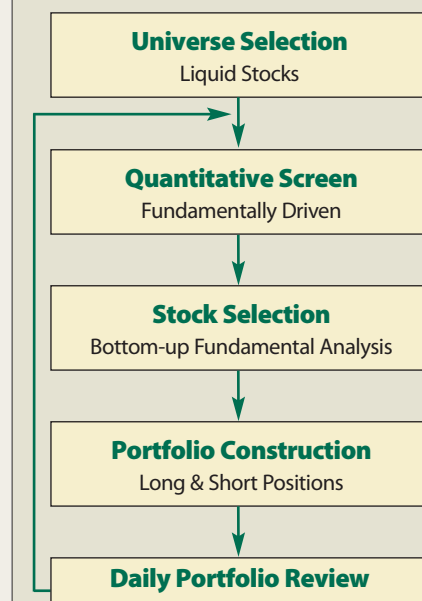
Zacks decision process for the fund is based on the portfolio managers' evaluation of a wide range of fundamental factors to determine if a company's stock should be purchased for or sold from the portfolio.



"By maintaining strict neutrality, we seek to produce positive returns in both rising and declining markets."

— Mitch Zacks,
Portfolio Manager

Zacks Security Selection Process



EXPERIENCED Portfolio Managers

Benjamin L. Zacks

Senior Portfolio Manager



Portfolio Manager Ben Zacks founded Zacks Investment Management, Inc. in 1991. This registered investment advisor is the money management subsidiary of Zacks Investment Research, Inc., which Ben co-founded in 1978. He is responsible for overseeing the firm's investment strategies and has direct portfolio management responsibility for several of the strategies. Ben is a nationally-recognized investment strategist with particular expertise related to corporate earnings. He has been featured extensively in the financial media. Ben holds a B.A. in Economics from Boston University.

Mitch E. Zacks

Portfolio Manager



Portfolio Manager Mitch Zacks joined Zacks Investment Management, Inc. in 1996. Since 1999, Mitch has served as Director of Quantitative Modeling and as a Zacks Portfolio Manager. Mitch is integrally involved in Zacks' research efforts and has portfolio management responsibility for several of the strategies. Mitch has been featured in the financial media, written a weekly column for the *Chicago Sun-Times* and published a book on quantitative investment strategies. Mitch received a B.A. in Economics from Yale University and an M.B.A. in Analytic Finance from the University of Chicago.

	Class A	Class C
CUSIP	461418709	461418808
NASDAQ	ZMNAX	ZMNCX

Other Risks to Consider

Temporary Defensive Investments Under normal circumstances, the Fund will pursue its investment objective by investing in a diversified portfolio of equity securities. However, when a temporary defensive posture is believed by Zacks Investment Management, Inc., (the “Adviser”) to be warranted (“temporary defensive periods”), the Fund may, without limitation, hold cash or invest its assets in money market instruments and repurchase agreements. The Fund may not achieve its investment objectives during temporary defensive periods.

Strategic Transactions The Fund may, but is not required to, use various investment strategies to earn income, to facilitate portfolio management and to mitigate risks. Techniques and instruments may change over time as new instruments and strategies are developed or as regulatory changes occur. Although the Adviser seeks to use such transactions to further the Fund’s investment objective, no assurance can be given that the use of these transactions will achieve the desired result. These transactions may include selling call and put options to obtain, through receipt of premiums, a greater current return than would be realized on the underlying securities alone. Such current return could be expected to fluctuate because premiums earned from an option selling program and dividend or interest income yields on portfolio securities vary as economic and market conditions change. Selling options on portfolio securities is likely to result in a higher portfolio turnover rate.

Restricted and Illiquid Securities The Fund may invest in securities for which there is no readily available trading market or that are otherwise illiquid. Illiquid securities may be difficult to dispose of at a fair price at the times when the Adviser believes it is desirable to do so. The market price of illiquid securities, is generally more volatile than that of more liquid securities which may adversely affect the price that the Fund pays for or recovers upon the sale of illiquid securities.

For more complete information on risks associated with this Fund, please read the prospectus and statement of additional information carefully.

Investors should consider the investment objectives and policies, risk considerations, charges and ongoing expenses of the Fund carefully before investing. The prospectus contains this and other information relevant to an investment in the Fund. The prospectus can be obtained by calling 1-888-453-4003. Please read the prospectus carefully before you invest.

**The Zacks Market Neutral Fund is distributed by
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NOT FDIC-INSURED | NOT BANK-GUARANTEED | MAY LOSE VALUE