

Long/Short Strategy

FIRST QUARTER 2008

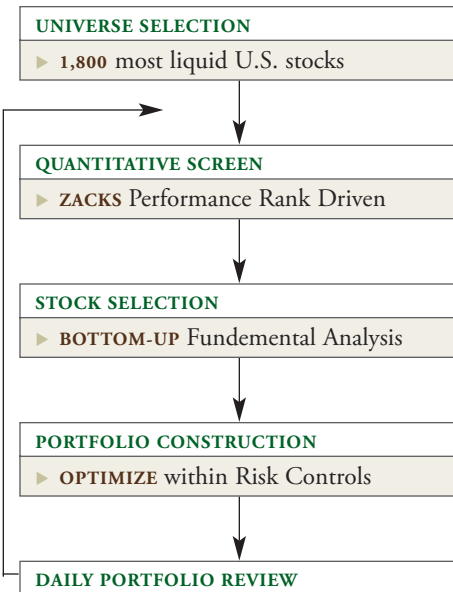
STRATEGY OBJECTIVE

AN ABSOLUTE RETURN STRATEGY INVESTING IN A CONCENTRATED LONG PORTFOLIO OF COMMON STOCKS WHILE SELLING SHORT A CONCENTRATED PORTFOLIO OF COMMON STOCKS. THE PURPOSE IS TO HEDGE THE MARKET EXPOSURE WHILE ATTEMPTING TO GENERATE EXCESS MARKET RETURNS.

Investment Process Summary

“OUR INVESTMENT PROCESS IS SIMPLE — WE BUY STOCKS WITH IMPROVING FUNDAMENTALS AND SHORT STOCKS WITH DETERIORATING FUNDAMENTALS.”

- Ben Zacks, Portfolio Manager



Zacks

ZACKS INVESTMENT MANAGEMENT

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Strategy Overview

The strategy is managed by Ben Zacks. Mr. Zacks is President of Zacks Investment Management, a company he founded in 1992 and is a nationally recognized investment strategist. In 1978, Mr. Zacks along with his brother Leonard, co-founded the independent research company, Zacks Investment Research. The Zacks Long Short Strategy relies upon a Qualitative evaluation of both long and short positions. Positions are qualitatively selected using fundamental investment analysis. Additionally, Zacks uses a proprietary quantitative model published as the Zacks Performance Rank, developed by Zacks Investment Research and used for over 25 years.

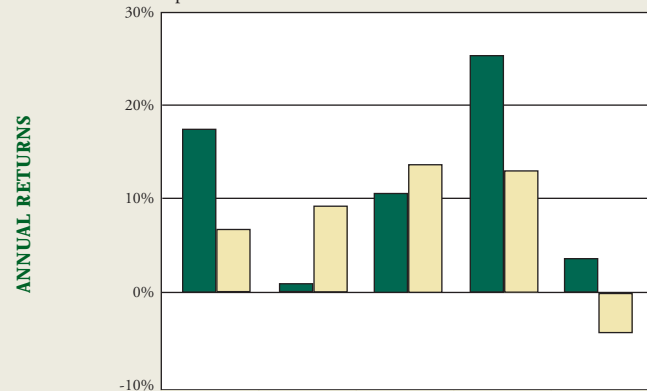


ZACKS LONG/SHORT COMPOSITE

Annual Returns

(not annualized if less than one year)

April 2004 - March 2008



| | 2004 (Apr-Dec) | 2005 | 2006 | 2007 | 2008 YTD |
|--------------------|----------------|-------|--------|--------|----------|
| Long/Short (Gross) | 18.20% | 0.98% | 11.23% | 26.49% | 3.69% |
| CSFB Long Short | 7.29% | 9.68% | 14.38% | 13.66% | -4.10% |

Portfolio Annualized Returns

APRIL 2004 TO MARCH 2008

| ANNUALIZED RETURNS THROUGH 3/31/08 | LONG/SHORT COMPOSITE GROSS | CSFB LONG/SHORT |
|------------------------------------|----------------------------|-----------------|
| 1 Year | 28.18% | 5.04% |
| 3 Year | 13.90% | 10.99% |
| Since Inception | 14.87% | 10.05% |
| Standard Deviation | 8.04% | 6.60% |
| Beta* | 0.13 | 1.00 |

* Beta calculated using Zephyr's Style Advisor

The Zacks Long/Short Strategy is a natural extension to Ben Zacks 11+ year Alternative Investment Management experience. In the Strategy, the manager focuses on a more concentrated portfolio of 20-25 stocks held long and 20-25 stocks held short. The structure allows the Manager to introduce limited exposures to various market risks to create a hedged investment vehicle while enhancing the potential for alpha.

Portfolio Characteristics

- ▶ ALL CAP Portfolio using growth and value securities.
- ▶ MANAGER may adopt a long or short bias of 25% in “normal” market conditions.
- ▶ NON-CORRELATED Alternative Investment Strategy

Years of...

quantitative research by Zacks Investment Research has shown that among the strongest determinants of future stock performance are revisions in analysts' earnings estimates. When analysts change their earnings estimates, large institutional investors react slowly and over time modify their own perception of the company through extensive internal review.

By relying on both a quantitative model and experience, we attempt to anticipate many of these revisions. We ultimately strive to add value by profiting from our expertise in interpreting earnings revision data and our ability to manage risk. This proprietary model, known as the Zacks Performance Rank, was developed by Zacks in 1978 to forecast earnings estimate revisions.

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About Zacks

Headquartered in Chicago, Zacks Investment Management is a Registered Investment Advisor. It is a subsidiary of Zacks Investment Research, a privately held firm known for its analysis of investment data and for its independent equity research capabilities.

Zacks Investment Management specializes in portfolio management and asset allocation for institutions and wealthy individual investors. We employ a unique process combining a quantitative screening methodology and fundamental bottom up analysis. We manage assets in an active fashion incorporating both a macro and micro view of the markets, the economy and our clients objectives.

The Zacks Long/Short Strategy...

Offers A Unique Diversification and Return Potential For Accredited Investors

This strategy invests in a long portfolio of 20-25 companies and a short portfolio of 20-25 companies. The stocks in our strategies are actively selected by Ben Zacks and incorporate the Zacks Rank in its quantitative model.

We buy stocks with improving fundamentals and earnings estimates and we short stocks with deteriorating fundamentals and earnings estimates.

The Long/Short Portfolio is much more heavily invested in the companies that have historically, based on the manager's experience, have been the most sensitive to estimate revisions.

The strategy will tend to have a low correlation to traditional stock and bond portfolios, providing an excellent opportunity for portfolio diversification.

Is Managed by Ben Zacks

- ▶ Ben Zacks is a nationally recognized market strategist and co-founder of Zacks Investment Research.
- ▶ Utilizes the independence of a time-tested quantitative model and the proven capabilities in qualitative selection of an experienced portfolio manager.
- ▶ Incorporates 3,500 + analysts, issuing thousands of earnings revisions are monitored and evaluated daily— this is the basis for the quantitative screen which eliminates individual biases by analyzing all available research.
- ▶ Is not dependent upon a specific style, sector or capitalization, although a 25% exposure can be directed by the manager.
- ▶ The strategy selects stocks from a mostly domestic universe of 1,800 listed equities.

INDEPENDENT

Research | Thinking | Results

Strategy Advantages

- ▶ SELECTION PROCESS IS BASED ON THE ZACKS EARNINGS ESTIMATE REVISION MODEL AND THE FUNDAMENTAL ANALYSIS OF BEN ZACKS.
- ▶ PORTFOLIO CAN TAKE A LONG, SHORT OR NEUTRAL BIAS DEPENDING ON THE MANAGERS PERCEPTIONS OF MARKET CONDITIONS, NOT TO EXCEED 25% IN MOST "NORMAL" MARKETS.
- ▶ THE STRATEGY USES NO DERIVATIVES AND HAS STRICT RISK CONTROLS. A 30% MAX SECTOR WEIGHT AND A 7% MAX POSITION WEIGHT.
- ▶ ALTERNATIVE INVESTMENTS CAN PROVIDE PORTFOLIO DIVERSIFICATION THAT IS NOT DIRECTLY CORRELATED TO STOCKS, BONDS, COMMODITIES AND REAL ESTATE.

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DISCLOSURE

The Firm

The firm is defined as all fee-paying institutional accounts managed by Zacks Investment Management's Institutional Division. Zacks Investment Management is an investment advisor registered under the Investment Advisors Act of 1940 and is a wholly owned subsidiary of Zacks Investment Research.

The Composite

The Long Short Strategy may invest in both growth and value securities, all capitalizations diversified between 16+ sectors. A typical portfolio is has 20-25 securities on the long side and 20-25 securities on the short side. The benchmark for this strategy is the CSFB Long Short Equity Index. The strategy was inception in April 2004. Portfolios in the composite are not leveraged.

The composite includes fully discretionary, fee-paying institutional accounts greater than \$1 million, including those accounts no longer with the firm. Performance results are time-weighted rates of return and are presented gross. The firm values portfolios at least monthly and geometrically links periodic returns. Returns include the reinvestment of dividends and other earnings. Monthly composite returns are calculated by weighting each account's monthly return by its beginning market value as a percent of the total composite beginning market value. Valuations and returns are computed and stated in U.S Dollars.

DISCLOSURE (con't)

The Benchmark

The Credit Suisse Tremont Hedge Fund Index (CSFB Long/Short) is an asset weighted hedge fund index. Composite Index comprised of ten style-based sector indices. Selection universe consists of funds meeting Credit Suisse/Tremont minimum criteria: fund must have at least \$50 million under management and a one-year track record (discretionary exceptions for funds with more than \$500 million under management).

Additional Information

Zacks Investment Management's Institutional Division claims compliance with the Global Investment Performance Standards (GIPS).

Zacks Investment Management's Institutional Division has been verified for the periods 4/1/1994 through 12/31/2005 by Altschuler, Melvoin, and Glasser LLP. For periods 1/1/2006 through 9/30/2007 Zacks Investment Management's Institutional Division was verified by McGladrey & Pullen, LLP. A copy of the verification report is available upon request.

Additional information regarding policies for calculating and reporting returns, including additional firm definition information, is available upon request. A complete list and description of the firm's composites is available upon request. Past performance is no guarantee of future results.

Standard management fees are available upon request and are described in Part II of Form ADV. Investments in the Zacks Rank Strategy 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 possible loss of the principle amount invested.