

Inside the Zacks Focus Growth Portfolio (Ticker: GROZ)

A Deeper Dive into the Large-Cap Growth ETF from Zacks Investment Management

A Growth Portfolio Looking to Reduce Volatility

The Zacks Focus Growth ETF (GROZ) investment process seeks to outperform the market by identifying companies in the large-cap growth universe with larger earnings growth potential. Our multi-factor models, in conjunction with the Proprietary AI Exposure Tool, provide a comprehensive and growth-oriented investment strategy. The result is an investment strategy designed for an ever-changing, technology-driven market landscape.

Zacks Process: Using Proprietary Tools to Construct the GROZ Portfolio

The proprietary tools at work in the GROZ portfolio constitute a dual approach—combining traditional financial metrics with cutting-edge AI insights—to help ensure that our strategy remains robust and adaptive to the rapidly evolving market landscape.

1 The Zacks Performance Framework

The Zacks portfolio management team pinpoints 500 stocks that have had recent earnings estimate revisions in an upward direction. This process relies on the four key facets of the Zacks Performance Framework:

- **Agreement:** We evaluate the ratio of positive revisions in earnings estimates.
- **Magnitude:** We assess the degree of these revisions.
- **Upside:** We compare recent or exact earnings estimates and the general consensus.
- **Surprise:** We examine the regularity and intensity of earnings surprises.

Our dynamic criteria evolve in tandem with market shifts and performance trends.

2 The Zacks Proprietary Multi-Factor Alpha Model

After our initial quantitative screen, our portfolio management team delves deeper, employing the Zacks Proprietary Multi-Factor Alpha Model for a comprehensive review. The model's function is to assess each stock against its peers in multiple distinct categories. The result is a selection of stocks with low earnings accruals.

3 The Zacks Indicator

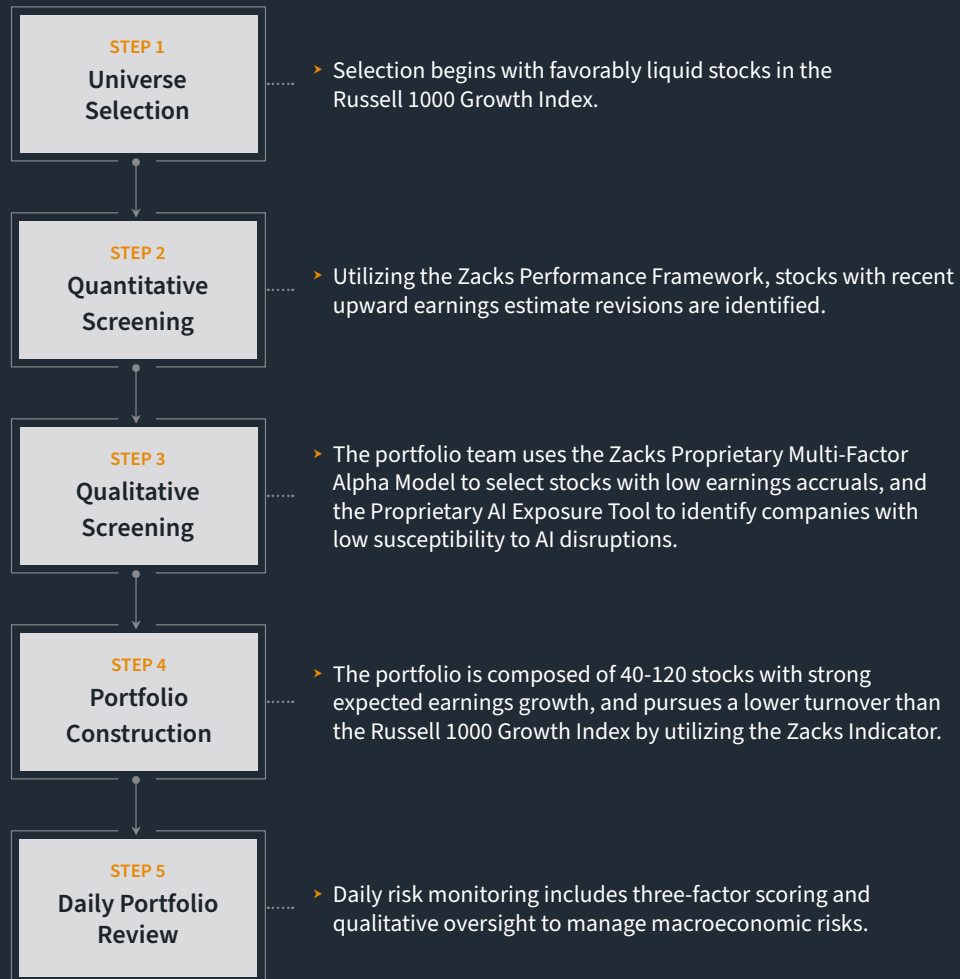
This screen targets companies that demonstrate what we believe to be strong financial health, robust growth potential, favorable valuations, and upward revisions in earnings estimates by analysts. Central to the GROZ strategy, this factor allows us to identify companies with positive momentum driven by analysts' upward revisions.

4 The Proprietary AI Exposure Tool

This proprietary tool provides a focused perspective on how companies and industries are positioned in an AI-driven economy. By assessing the susceptibility of companies to AI technologies, this screen seeks to ensure the portfolio is aligned with companies that are well-positioned for growth as well as less impacted by technological disruptions.

Exploring the GROZ Construction Process

Beginning with the Russell 1000 Growth Index, the portfolio management team at Zacks conducts multiple screens, seeking to capture earnings momentum while staying ahead of technological trends. This ensures our investments are well-positioned to potentially generate alpha across various market conditions. Through disciplined portfolio construction, regular rebalancing, and a commitment to integrating both quantitative and qualitative factors, we seek to deliver a less volatile growth portfolio that seeks to deliver value to our clients.



Glossary

Earnings per share (EPS) is a company's net profit divided by the number of common shares it has outstanding. EPS indicates how much money a company makes for each share of its stock and is a widely used metric for estimating corporate value.

Standard deviation measures the dispersion of a dataset relative to its mean (average), and is often used as a measure of relative risk of an asset.

A high standard deviation indicates a more volatile security.

Magnitude is defined as the size of the earnings estimate revisions.

Upside is defined as where the most accurate or recent earnings estimates are coming in relative to the consensus.

Alpha is a measure of the portfolio risk-adjusted performance. When compared to the portfolio beta, a positive alpha indicates better-than-expected portfolio performance and a negative alpha worse-than-expected portfolio performance.

GROZ Fund Specific Risk

The Fund's investment objectives, risks, charges, and expenses must be considered carefully before investing. The prospectus contains this and other important information about the investment company and can be found at www.zackssetfs.com. Please read carefully before investing. A hard copy of the prospectuses can also be requested by calling 855-813-3507.

Investing involves risk. Principal loss is possible. As an ETF, the funds may trade at a premium or discount to NAV.

Shares of any ETF are bought and sold at market price (not NAV) and are not individually redeemed from the Fund.

Transactions in shares of ETFs will result in brokerage commissions, which will reduce returns. The Fund is subject to management risk because it is an actively managed portfolio. The Advisor's judgments about the attractiveness, value, and stability of particular stocks in which the Fund invests may prove to be incorrect, and there is no guarantee that the Advisor's judgment will produce the desired results. Equity securities are subject to changes in value, and their values may be more volatile than those of other asset classes. Stocks of large companies as a group can fall out of favor with the market, causing the Fund to underperform investments that have a greater focus on mid-cap or small-cap stocks. Larger, more established companies may be slow to respond to challenges and may grow more slowly than smaller companies. Investments selected using quantitative methods may perform differently from the market as a whole.

The indices shown are for informational purposes only and are not reflective of any investment. As it is not possible to invest in the indices, the data shown does not reflect or compare features of an actual investment, such as its objectives, costs and expenses, liquidity, safety, guarantees or insurance, fluctuation of principal or return, or tax features.

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The Fund is newly formed and has no operating history.

NAV Return represents the closing price of underlying securities.

Market Return is calculated using the price which investors buy and sell ETF shares in the market. The market returns in the table are based upon the midpoint of the bid/ask spread at 4:00 pm EST, and do not represent the returns you would have received if you traded shares at other times.

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Benchmark

The Russell 1000 Growth Index is a well-known, unmanaged index of the prices of 1000 large-company growth common stocks selected by Russell. The Russell 1000 Growth Index assumes reinvestment of dividends but does not reflect advisory fees. An investor cannot invest directly in an index. The volatility of the benchmark may be materially different from the individual performance obtained by a specific investor. Benchmark returns are not covered by the report of independent verifiers.

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