

# Equity Model Portfolios

## Earnings Certain Portfolio

Been in existence for over 25 years and designed as a "75 Stock, Diversified, Ultra-Long Term Buy and Hold Core Equity Portfolio" with little to no turnover and annual rebalance periodicity so easy to maintain. Investment Objective is to minimize capital loss by constructing a portfolio where the underlying company earning streams exhibit a proven 20+ year track report of moving through recessionary periods with little to minimal impact on underlying aggregate earnings growth relative to the overall S&P500. Byproduct of the investment objective is a high performing and high yielding defensive core equity portfolio capable of consistently outperforming the S&P500 when coupled with the recommended tilts. Designed to be used in conjunction with the Earnings Certain Portfolio Tilts.

## Earnings Certain Admiral Portfolio

In development since 2015 and designed as a "30 Stock, Concentrated, Ultra-Long Term Buy and Hold, Ultra-Defensive, Core Equity Portfolio" with little to no turnover and annual rebalance periodicity so easy to maintain. Investment Objective is to minimize capital loss by constructing a portfolio where the underlying company earning streams exhibit a proven 20+ year track report of moving through recessionary periods with minimal impact on underlying aggregate earnings growth relative to the overall S&P500. Byproduct of the investment objective is a high performing and high yielding, ultra-defensive core equity portfolio capable of consistently outperforming the SP500 when coupled with the recommended tilts. Designed to be used as a core equity portfolio or to be used in conjunction with the Earnings Certain Portfolio (ECP), ECP Tilts, ECP Dividend Aristocrat Model Portfolios.

## Earnings Certain Portfolio Tilts

Long term strategic tilts recommended for use with ANY core portfolio. Current portfolio tilt recommendations are tailored to be used with the 'Earnings Certain' family of model portfolios. Current Investment Objective is to provide exposure to consistent growth and market leadership through the top 20% of S&P500 in terms of weight. The Investment Objective can change at any time and is a product of the need to fine tune the position of core equity portfolios to longer term macro trends. Tilts ranging from 10% to 50% are recommended based on individual portfolio suitability.

## Earnings Certain Dividend Aristocrat Portfolio

Designed as a "25 Stock, Concentrated, Ultra-Long Term Buy and Hold, Ultra-Defensive, Core Equity Income Portfolio" with little to no turnover and annual rebalance periodicity so easy to maintain. Investment Objective is to minimize capital loss by constructing a portfolio where the underlying company earning streams exhibit a proven 20+ year track report of moving through recessionary periods with minimal impact on underlying aggregate earnings growth relative to the overall S&P500. Byproduct of the investment objective is a high performing and high yielding, ultra-defensive core equity portfolio capable of consistently outperforming the S&P500 Dividend Aristocrats. Designed to be used as a core equity portfolio or to be used in conjunction with the Earnings Certain Portfolio (ECP), ECP Tilts, ECP Admiral Model Portfolios.

## Zacks Focus List

Portfolio of 50 stocks that are set to outperform the market over the next 12 months. The stock selection criteria reflect our enduring reliance on earnings estimate revisions. Each of the new additions to the portfolio is hand-picked from a long list of stocks that have a Zacks Rank of #1 or #2. Given the best-in-class earnings momentum of stocks with these attributes, we keep them on the portfolio even as their Zacks Rank changes subsequently. The Focus List is expected to serve as a starting point for long-term investors to build their portfolios. This Zacks Focus List is updated weekly.

# Equity Select Lists

## Zacks Standard Industrial Proxy

The Zacks Standard Industrial Proxy starts with the S&P 500 ETF membership and removes all 'tilt' sector members. Tilt sector members are defined as any S&P 500 ETF company that can be classified as an Energy, Financial, Utility or Precious Metals company. Following the removal of the Tilt sector, all companies are scrubbed for financial statement consistency; those members exhibiting material restatements and/or accounting irregularities are also removed. The remaining members are counted and like industrial companies added until the final member count reaches 400 or so individual members. Membership is monitored and maintained quarterly. Fundamentals are aggregated 'bottom-up', equally weighted and resulting valuation metrics calculated from the composite as a single entity.

## Zacks Earnings & Dividend Quality

### Large Cap

The Zacks Earnings & Dividend Quality equity select list consists of stock currently in the S&P 100 ETF, have a Zacks Earnings & Dividend Quality Score of 1, 2 or 3 and the dividend yield is at least 90% of the company's Zacks Economic Sector market-cap weighted average. This final criteria removes companies that do not pay a substantial dividend and the over-allocation of companies from a particular sector. This model portfolio is updated quarterly.

## Zacks Cyclical and Growth Proxy

We start with the Zacks Standard Industrial Proxy (ZSIPE) membership and rank each member based on earnings stability. The top half of the earnings stable companies make up the Zacks Growth Proxy (ZGROWE) and the bottom half of the earnings stable companies make up the Zacks Cyclical Proxy (ZCYCE). Membership is monitored and maintained quarterly. For each proxy, fundamentals are aggregated 'bottom-up', equally weighted and resulting valuation metrics calculated from the composite as a single entity.

## Zacks Consistent Dividend Growth

### All Cap

The Zacks Consistent Dividend Growth model portfolio consists of stocks that have increased their fiscal year annual dividends paid each of the last 10 years. Only stocks that have been publically traded and that have issued dividends during this ten year period are part of the universe. This model portfolio is updated quarterly.