Using

Integrated Company Analysis

Version 2.0

Contents

Overview

Introduction

Integrated Company Analysis (ICA) is a powerful tool for examining stocks using customized charts, graphs, and reports. This product is comprised of the following components.

Price Action: analyzes the price impact of fundamentals. Price Action reports overlay price charts with the EPS Surprises, Consensus Estimates, Annual, Quarterly or 12-month EPS, Zacks Indicator, ROE, ROA, Broker Recommendations, Sales, or Net Income data. You can also analyze company performance versus another company, Industry, Sector, S&P 500 or other major market indexes.

Estimates: displays the flow of estimate revisions and recommendations from over 300 brokerage firms and individual analyst's track record. The Estimates reports display the latest information on individual broker recommendations, annual and quarterly EPS estimates and revisions, analyst Consensus, and Zacks Ratings for over 6,500 companies. Estimates provide Analyst Track Record and Analyst Ratings History data.

Snapshot: view a single company report. Includes price, EPS surprises and estimate revisions charts along with the company's description and fundamental data.

Company vs. Industry Analysis: use charts to see how a company is performing versus the industry median, sector median, S&P 500 or a specific number based on a wide range of fundamentals.

Peer Analysis: compare a company's fundamental data to companies in the same industry or your custom peer group. Peer Analysis reports include graphs and data tables for various financial ratios.

Internet-Based Reports: analyze various fundamental data tables, Business Description & Management Discussion Reports, Insider Trading data, Brokerage Research reports and their abstracts.

Guided Tour

Getting Started in ICA

Using ICA is simple. The layout is organized in a way that allows you to begin the analysis of a company the moment you start the application. A default list of companies (Ticker List) loads automatically when ICA starts and a price chart is displayed.

To display a new report, just click the report button from the ICA Reports Access Toolbar. After specifying a report, ICA will display the name of the current report in the Title bar along with the ticker symbol.

Parts of ICA Screen

The following is a description of ICA screen elements.

Title Bar: the top bar of the ICA window.

Menu Bar: the list of menu names displayed below the Title bar of ICA.

ICA Reports Access Toolbar: the bar containing ICA components access buttons for corresponding reports.

ICA Report buttons

🔲	**Aggregates**	📈	**Indexes**
🖥	**Ratios Editor**	🔤	**Companies**

Ticker Menu: the drop-down list of company, aggregate, or index tickers (located to the left of the **Get Report** button).

*Internet Reports Menu***:** the bar containing a pull-down menu of Internet-base reports as well as the **Get Report** button.

Single Ticker Look-Up

To access any of the ICA reports for a company, type the company's ticker symbol in the Tickers drop-down menu (located to the left of the **Get Report** button) then click **Enter**.

Working with Ticker Lists in ICA

ICA Ticker Types

There are three types of tickers used in ICA.

Company Tickers: ticker symbols for stocks in Zacks companies universe. ICA has a sample list that loads automatically when the application starts.

*Aggregate Tickers***:** ticker symbols for aggregate classes such as S&P 500, Zacks Industry or Zacks Sector in Zacks aggregates universe.

Index Tickers: ticker symbols for various indexes in the Zacks market index universe.

Company tickers can be used in all ICA reports, whereas Aggregate and Index tickers are used in Price Action reports only.

Working with Companies Ticker Lists
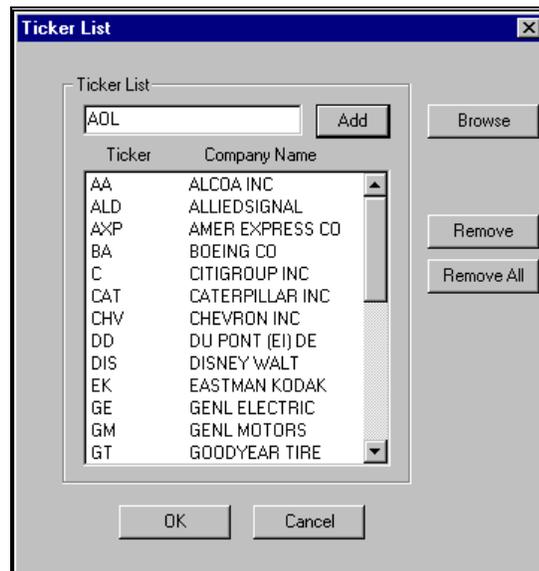
To display an ICA report, select a ticker or set of tickers (Ticker List). The Ticker List is automatically sorted by ticker symbol. When the Ticker List is selected, a price chart displays the first ticker on the list.

ICA has a sample Ticker List (myportf.txt) automatically loaded when first starting the application.

Ticker list files are in a tab-delimited format (*.txt). Use the Ticker List created with any Zacks screening application.

Creating Companies Ticker List

To anayze a specific set of companies (portfolio), create a Company ticker list to be used in ICA. Open the Ticker menu then select *Companies* or click the **Companies** button on the ICA toolbar. The **Ticker List** dialog box will appear. Enter a ticker symbol in the **Add Ticker List** box. Click **Add** or press **Enter.**

For entering more than one ticker at a time, use a space or a comma to separate each ticker symbol.

To view a list of all companies in the database, select **Browse**. The **Ticker List** dialog box will expand to display all companies available for selection. Use the scroll bar to browse the Full Universe selection.

Expanded Ticker List
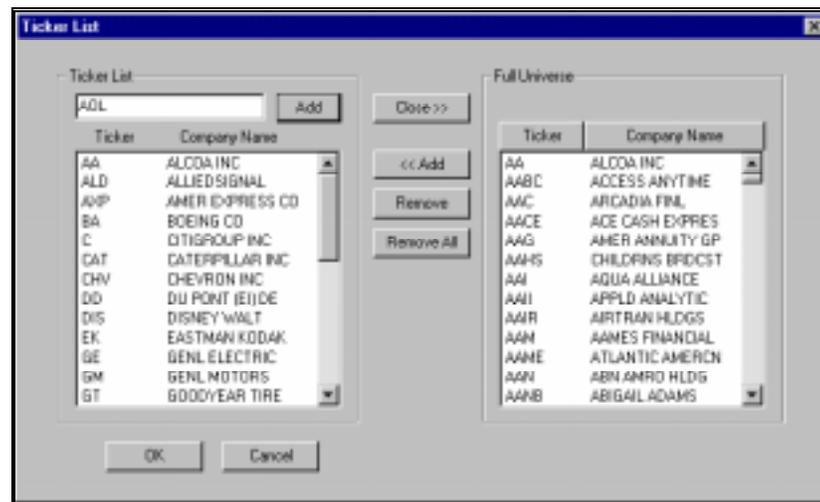
To create a multiple company Ticker List, select tickers by holding down the **CTRL** key and highlighting your selection.Next click **<< Add** then **OK.** Selected tickers will appear in the **Tickers** menu.

To save a **Ticker List**, select *Save* from the File menu. The list will be saved in a tab delimited format (*.txt).

Editing Companies Ticker List

To remove companies from the Ticker List, open the Ticker menu then select *Companies.*The **Ticker List** dialog box will appear. Select tickers to be deleted by holding down the **CTRL** key and highlighting your selection. Click the **Remove** button then **OK** (to remove all tickers, click **Remove All**).

To remove a single company, select a ticker symbol from the Tickers menu then select the *Remove Ticker* command from the Ticker menu.

Using Existing Ticker List

To open an existing Ticker List, open the File menu and select *Open*. The **Open** dialog box appears. Enter the file name (*.txt) or select a file from the list and click **Open**.

ICA contains a sample Companies Ticker List (myportf.txt) that also can be used.

Creating Aggregates Ticker List
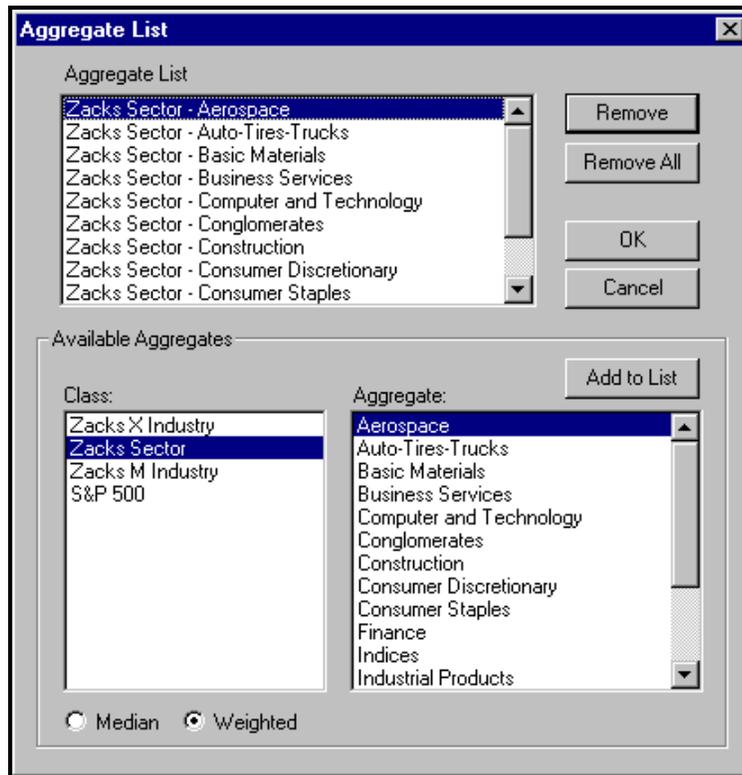
To create an Aggregate Ticker List to be used in the Price Action reports, open the Ticker menu, select *Aggregates* or click the **Aggregates** button on the ICA toolbar. The **Aggregate List** dialog box will appear.

From the **Available Aggregates** section, highlight an Aggregate Class then select a specific Aggregate. Click **Add to List**. The aggregate will appear in the **Aggregate List**. To remove an aggregate, highlight it in the **Aggregates List** and then click **Remove**. To delete all aggregates, click **Remove All**.

Selected aggregate tickers will appear in the Tickers menu.

Creating Indexes Ticker List
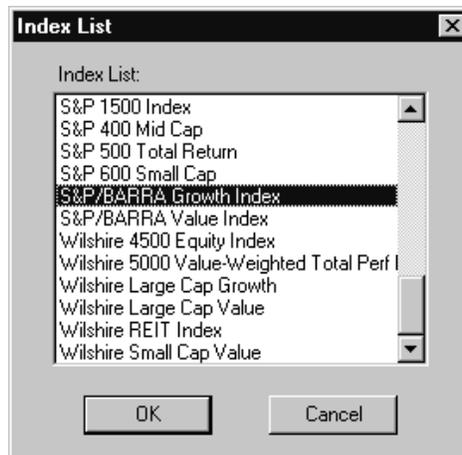
To create an Indexes Ticker List to be used in the Price Action open the Ticker menu then select *Indexes,* or click the **Indexes** button on the ICA toolbar. The **Index List** dialog box will be displayed. Select multiple Indexes by holding down **SHIFT** and highlighting your selection. To select one Index at a time, hold down the **CTRL** key and click the Index name. Click **OK**.

ICA Folders
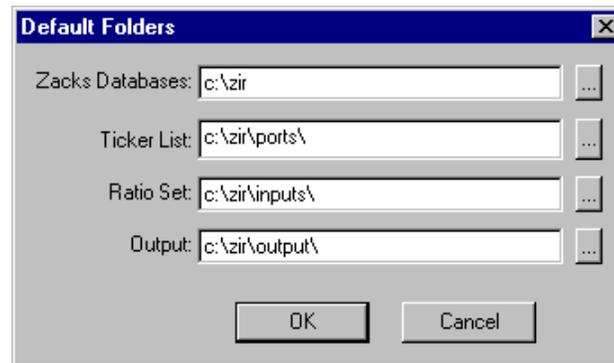
To view ICA settings, choose the *Folders* command from the Tools menu. The **Default Folders** dialog box will appear, displaying the location of Zacks databases when applicable (**Ticker Lists**, **Ratios Sets**, and export directory; **Output**).

Printing ICA Reports

To print the report, select *Print* from the File menu or click the **Print** button.

Exporting ICA Reports

Export ICA reports data to Excel or copy the report to the Windows clipboard. Snapshot reports can only be copied to the clipboard.

Exporting to Excel

To export data after displaying a report, open the Tools menu then select *Export.* Select **Export Data to Excel** (the **Save As** dialog box will appear). Enter the export file name (*.csv) then click **OK.**

The file is saved in the comma-delimited format (*.csv). The location of the export folder is determined by your output folder settings.

ICA will automatically launch the Excel application and the exported file will be opened in Excel.

Copying Data to Clipboard

ICA charts and graphs can be copied to a clipboard and used in presentations and marketing materials. To create a chart open the Tools menu then select *Export* and click **Copy to Clipboard** (the active chart window will be copied to the Windows clipboard). Open a WORD document or any presentation file. Paste the ICA report into the document using the program's editing features.

Price Action Quick Start Guide

Price Action operates with Chart Definitions. Chart Definitions are pre-defined settings that combine price charts with various overlays. Use Zacks Chart Definitions or create your own.

Access Zacks Chart Definitions by opening the Chart menu then select *Chart Settings* or click the **Price Action** button on the ICA Components toolbar. Select a chart definition. View the description of the Chart Definition by selecting the **Description** tab in **Chart Options** dialog box.

When opening ICA, a default list of companies will be automatically loaded, and a chart for the first ticker on the list will be displayed.

Estimates Quick Start Guide

To display an Estimates report select a ticker from the ticker drop menu (located to the left of **Get Report** button) or click the **Estimates** button on the ICA Components toolbar. An Estimates report for the selected company will be displayed.

Snapshot Quick Start Guide

To display a Snapshot report select a ticker from the ticker drop menu (located to the left of **Get Report** button) or click the **Snapshot** button on the ICA Components toolbar. A Snapshot report for the selected company will be displayed.

Company vs. Industry Analysis Quick Start Guide

To display a Company vs. Industry Analysis report select a ticker from the ticker drop menu (located to the left of **Get Report** button) or click the **Company vs. Industry Analysis** button on the ICA Components toolbar. A Company vs. Industry Analysis report will be displayed.

Zoom Options
To enlarge each ratio's display area, choose the *Zoom In* option from the **Company vs. Industry Analysis Zoom** menu to turn on the magnifier. Move the magnifier over each ratio display to enlarge the area.

Turn the magnifier off by selecting the *Zoom Out* option.

Peer Analysis Quick Start Guide

To display a Peer Analysis report, select a ticker from the ticker drop menu (located to the left of **Get Report** button) or click the **Peer Analysis** button on the ICA Components toolbar. A Peer Analysis report will be displayed.

The ratios in the chart are based on the latest information about the selected companies. To view a historical performance of the specific company, select the **Show History** button from the chart display.

Internet-Based Reports Quick Start Guide

To display a report, open the Tickers menu, click *Companies* then select a ticker. Select a report type from the Get Report drop menu (located to the right of the **Get Report** button) then click the **Get Report** button.

ICA will launch your default browser in a new window to display the report.

To switch between your browser and ICA, click the ICA button on the Windows taskbar.

Clearing Temporary Internet Files

ICA has a special temporary Internet files folder, on your hard disk, where ICA pages are stored as you view them. This speeds up the viewing of charts for the companies that are in your active Ticker List.

To delete these temporary files, select the *Clear Cache* command from the Tools menu.

Price Action

Overview

The ICA Price Action feature helps analyze how strongly a stock's price reacts to EPS surprises, estimate revisions and broker recommendations. Price Action compares two or more company prices and fundamental performance data. It also helps analyze company performance versus industry sector, S&P 500 and any major market index. Price Action plots price charts against a wide range of fundamentals (overlays). Overlays display how sensitive a stock or an aggregate is to any given factor.

Basic Charting

Using Chart Definitions

Price Action performs with Chart Definitions, settings that combine price charts with various overlays. Use Zacks Chart Definitions or create your own.

To access Chart Definitions, Click the **Price Action** button on the ICA Reports Access toolbar. Open the Chart menu, select *Chart Settings*. The list of Current Settings will be displayed. Select a Chart Definition name to display chart.

Understanding Price Chart Type
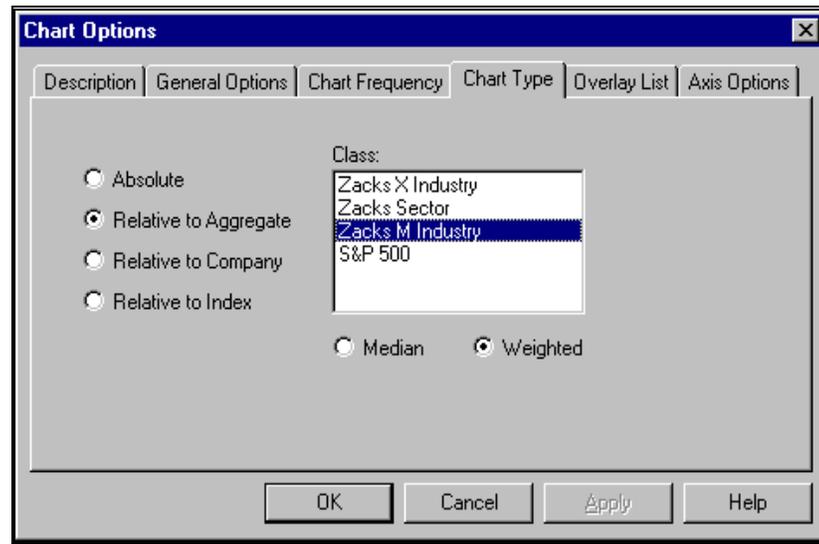
When displaying a chart, select to display either absolute or relative price data for the selected tickers.

To access the Chart Type options, open the Chart menu, choose *Chart Settings* then click **Current Settings**. The **Chart Options** menu will appear. Click the **Chart Type** tab. Select a chart type then click **OK**.

When choosing the **Relative to Aggregate** option, select the aggregate from the **Class** list of available aggregates.

When choosing the **Relative to Another Company** option, enter the ticker symbol in the **Company Ticker** box.

When choosing the **Relative to Index** option, select an Index from the **Index** list.

Absolute Price Charts

Absolute Price charts plot company or aggregate prices for the specified time period.

Relative to Aggregate Price Charts

Relative to Aggregate Price charts, display the relative performance of a selected company or aggregate as measured against a specific Industry, Sector, or the S&P 500.

For example, when charting a company price versus the S&P 500 index, the stock price is divided by the S&P 500. The performance of the stock is compared to the general market. A resulting upward sloping Relative Performance chart indicates a company is outperforming the market, whereas the downward sloping indicates a company is under-performing the market.

Users may choose to display either Median or Market Weighted values for the aggregates.

Relative to Another Company Price Charts

Relative to Another Company Price charts, display the relative performance of a selected company or aggregate as measured against another company.

Relative to Index Price Charts

Relative to Index Price chart, display the relative performance of a selected company or aggregate as measured against any market Index.

Changing Chart Type

To change the chart type, open the Chart menu, choose *Chart Settings* then click **Current Settings**. The **Chart Options** menu will be displayed. Click the **Chart Type** tab. Select a chart type then click **OK**..

Price Chart Frequency

Price Chart Frequencey option display charts using share volume data with *monthly*, *weekly* or *daily* frequency distinctions.

- **Monthly Frequency:** displays month-end prices and volume. Volume is the total number of shares traded during a month (expressed in thousands). Monthly prices are available for the past 12 years.

- **Weekly Frequency:** displays week-end prices and volume. Volume is the total number of shares traded during a week (expressed in thousands). Weekly prices are available for the past 12 years.

- **Daily Frequency:** displays daily prices and volume. Volume is in actual shares (expressed in thousands). Daily prices are available for the past 1.5 years.

Changing Price Chart Frequency

To change the price chart's frequency, select *Chart Frequency* from the Chart menu then select a frequency option (daily, weekly, or monthly).

Display Range
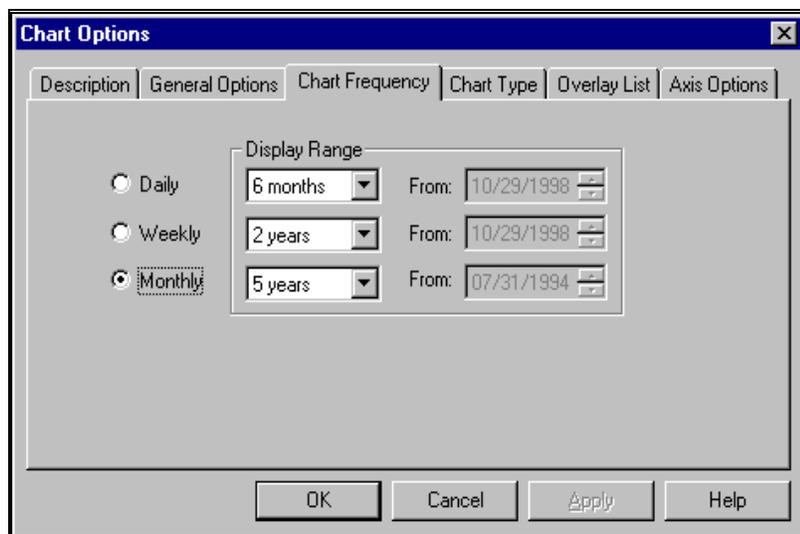
The Display Range (time period) option is used to specify price chart frequency (daily, weekly, or monthly).

To access the Display Range options, open the Chart menu, choose *Chart Settings* and click **Current Settings**. The **Chart Options** menu will be displayed. Click the **Chart Frequency** tab. From the **Display Range** menu specify one of the following time periods for each frequency then click **OK**.

- *Daily*: select 3 months, 6 months, 1 year, 2 years or custom options.
- *Weekly*: select 1 year, 2 years, 3 years, 5 years or custom options.
- *Monthly*: select 3 years, 5 years, 10 years or custom options.

Using Custom Display Range
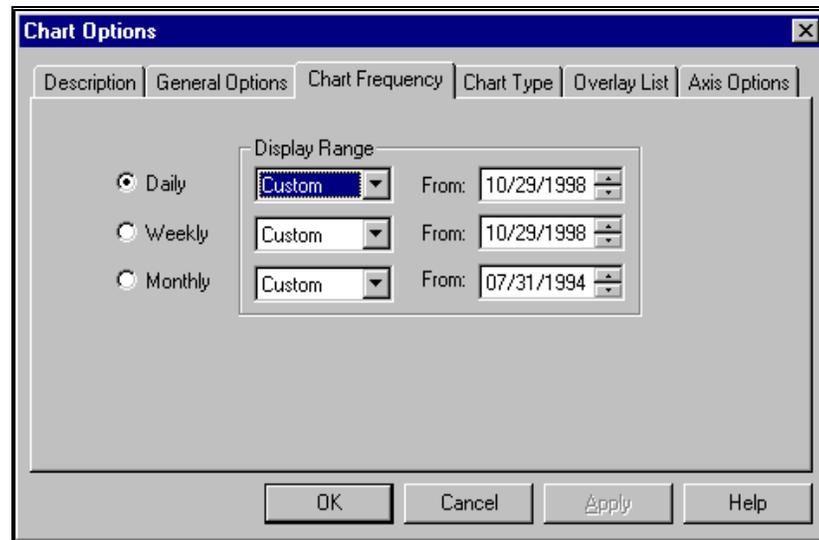
The Custom Display Range option allows users to zoom in to the specific date range for the price chart.

To specify a custom Display Range, open the Chart menu, select *Chart Settings* then click **Current Settings** . The **Chart Options** menu will be displayed.

Click the **Chart Frequency** tab. From the **Display Range** menu, select the *Custom* option. The dates menu will be enabled. Enter a date in the **From** box or use the scroll bar. Then click **OK**.

Display Data

To examine particular data points in a data series of Price Action charts, select *Display Data* from the Chart menu. A **Data Legend** box will be displayed.

Data Legend Box

The **Data Legend** box displays ticker date, price, and volume data with overlay information. The legend box displays data corresponding to your cursor position when scrolled over the Price Action chart.

To view the **Data Legend** box, open the Chart menu then select *Display Data* (to remove, select *Hide Data*).

Two Panels View
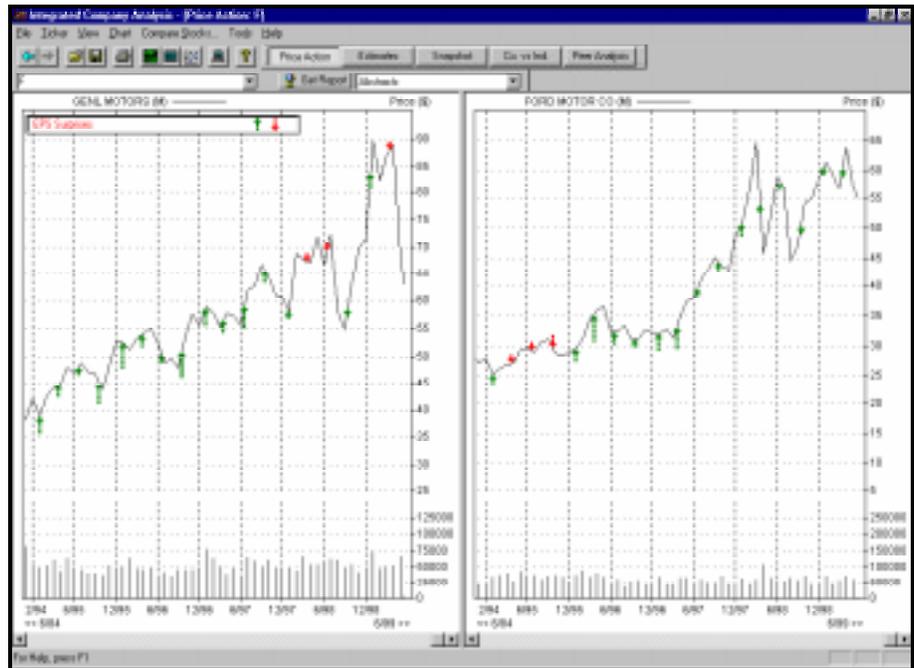
To view two charts simultaneously, open the View menu then select *Two Panels*. Two charts for the active ticker will be displayed. Click inside either chart and select a new ticker from the Tickers pull-down menu.

Price Charts for Multiple Companies

You can view prices for two or more companies on the same chart. You may choose to compare stock prices or their percent difference. If you choose to compare the percent difference, the right-axis displays the relative percentage change in the stock price.

There are two ways to view two or more companies price charts. To compare the relative performance of two or more stocks, use the **Compare Stocks** menu (or select *Chart Settings* from the **Chart** menu).

Using Chart Settings Option to View Price Charts for Two or More Companies
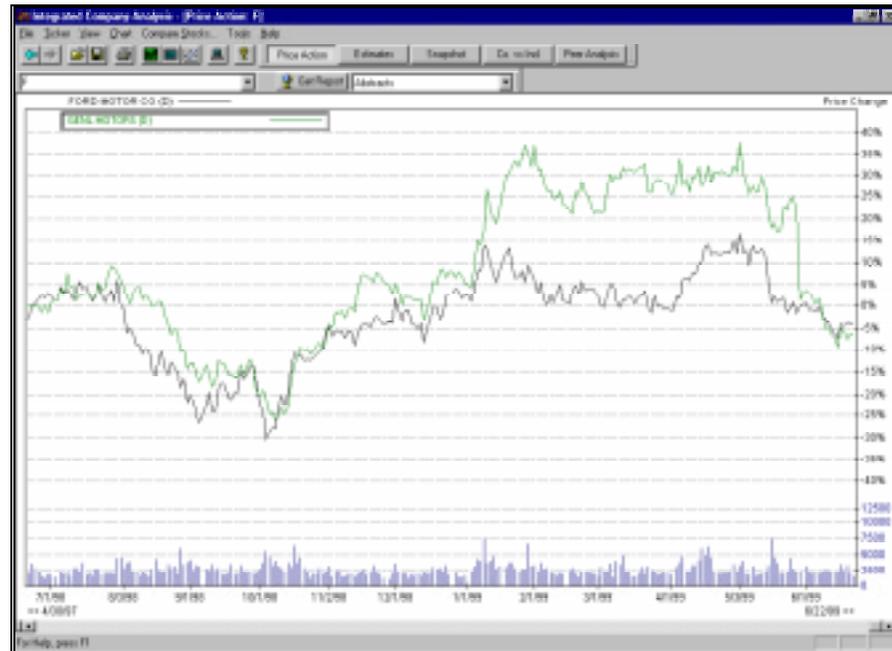
To display a chart, follow these steps:

1. Select a company ticker from the tickers drop-down menu (located to the left of the **Get Report** button).

2. Open the **Chart** menu, choose *Chart Settings* then select either **Current Settings** or **New Settings** . The **Chart Options** dialog box will appear.

3. Click the **Overlay List** tab then click the **Add** button. The **Select Overlay Type** dialog box appears.

   The Current Ticker box is checked, de-select it.

4. Select Company, Price and Absolute radio buttons then click **Next**. The **Select Ticker** dialog box will be displayed.

5. Enter the ticker symbol or select the ticker in the list.

6. Click **Next** to modify price chart colors, style and markers then click **OK**.

   The option to modify the right axis scale to Percent Difference Scale will appear.

Axis Options

You have several scale options for the price charts. To access the chart axis menu open the **Chart** menu, select *Chart Settings* then click Current Settings. Choose either Current Settings or New Settings option. The **Chart Options** dialog box will appear. Click the **Axis Options** tab.

Modifying left and/or right axis scales are displayed as follows:

- *Absolute Value:* axis values are shown in absolute terms.

- *Percent Difference:* axis values are shown in terms of the percent change in price.

- **Dollar Difference:** axis values are shown in terms of the dollar change in price.

- **Logarithmic (Base 10):** axis values are shown on the logarithmic scale.

Using Compare Stocks Option to View Price Charts for Two or More Companies
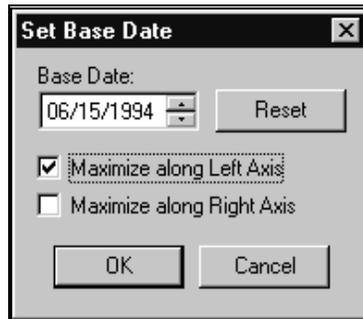
To compare the percent change in company prices over a specified period, first select the Chart Frequency (daily, weekly, or monthly).

Choose *Set Base Date* from the Chart menu to display the **Set Base Date** dialog box. The Base Date is the date from which price changes are calculated and depends on the Chart Frequency.

Enter the new date in the **Base Date** box or use the scroll bar then click **OK**.

Using Set Base Date Menu to Magnify Price Charts Display
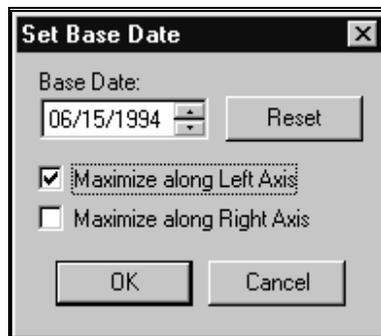
In addition to changing the time axis for the price charts, use the magnify functionality of the ICA **Set Base Date** menu to reduce or increase the time frame for the chart display.

- To magnify right axis, select the *Maximize along Right Axis* check box.

- To magnify left axis, select the *Maximize along Left Axis* check box.

- To restore the setting, click the **Reset** button.

Setting Base Date for Price Action Charts and Compare Stocks Charts

To change the Base Date for any Price Action chart, double left click your mouse button anywhere on the Time axis.

To change the Base Date for the Compare Stocks charts, double left click your mouse button anywhere on the Time axis or on the stock comparison chart.

Advanced Charting

Price Action works with Chart Definitions. These settings combine price charts with various overlays. You can modify Zacks Chart Definitions or create your own.

Some Chart Definitions created for company tickers will not operate for Aggregate or Index tickers and vise versa. In that case, "Error 1003 - Data for ticker could not be read" message will display.

Editing Chart Definitions

To edit an existing Chart Definition click the **Price Action** button on the ICA Reports Access toolbar. Open the Chart menu, select *Chart Settings* then click **Current Settings**.

The **Chart Options** dialog box will appear. To modify the specific aspects of chart, select the corresponding tab.

Deleting Overlays
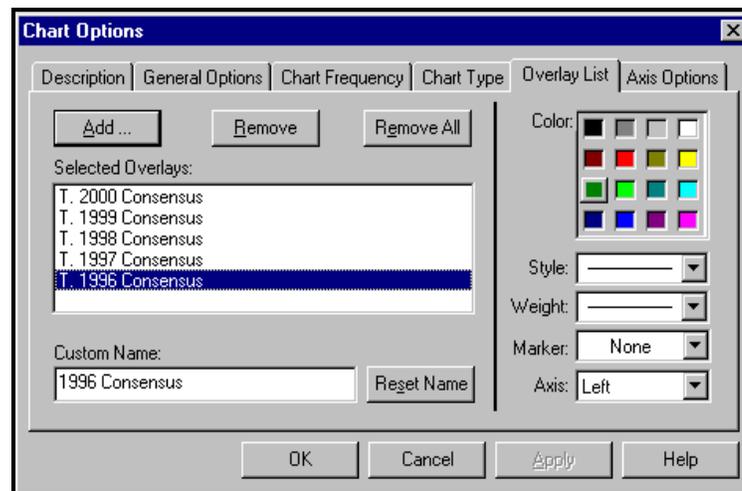
To delete an overlay from the Chart Definition open the Chart menu, click *Chart Settings*. The list of Current Settings will be displayed and a currently selected chart definition will have a check mark next to its name.

Click *Current Setting* to activate the **Chart Options** dialog box. Select the **Overlay List** tab. The list of Selected Overlays will be displayed.

Open the selected overlay list, highlight an overlay you wish to delete and click **Remove**. To delete multiple overlays, press the **Remove All** button. Choose **OK**.

Renaming Overlays

You can change the overlay name as it appears on the chart. To rename the overlay, open the Chart menu, select *Chart Settings*. The list of **Current**

Settings will be displayed and a currently selected chart definition will have a check mark next to its name.

Click *Current Setting* to activate the **Chart Options** dialog box. Select the **Overlay List** tab. The list of **Selected Overlays** will be displayed. In the **Custom Name** box, enter the new name for the overlay. To restore the overlays' default name, click the **Reset Name** button.

Modifying Overlay Markers Appearance
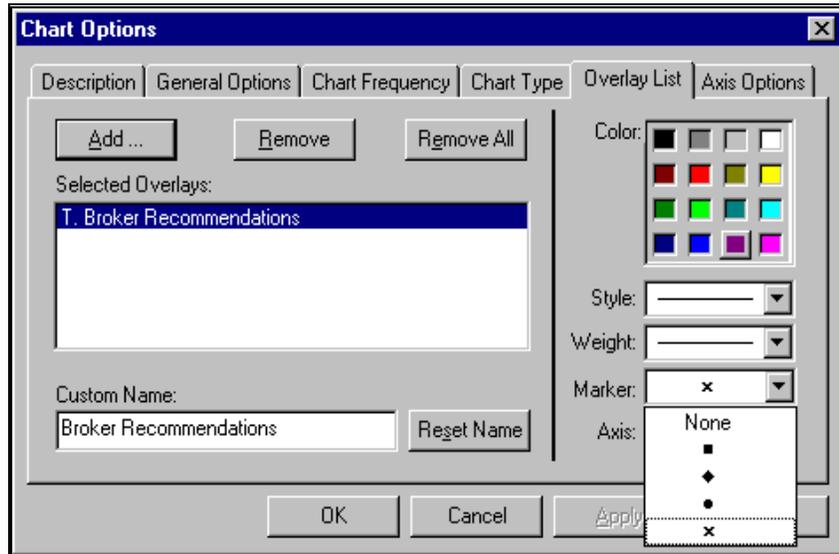
Each overlay on the chart can be distinguished by a unique pattern (marker).

To change markers for the overlays, open the Chart menu, select *Chart Setting*, then click **Current Settings**. The **Chart Options** dialog box will be displayed.

Click the **Overlay List** tab to view selected overlays. Open the **Selected Overlays** list, highlight an overlay which marker you want to change. Open the **Marker** pull-down menu, select the desired pattern. Click **OK**.

Modifying Price Chart Appearance
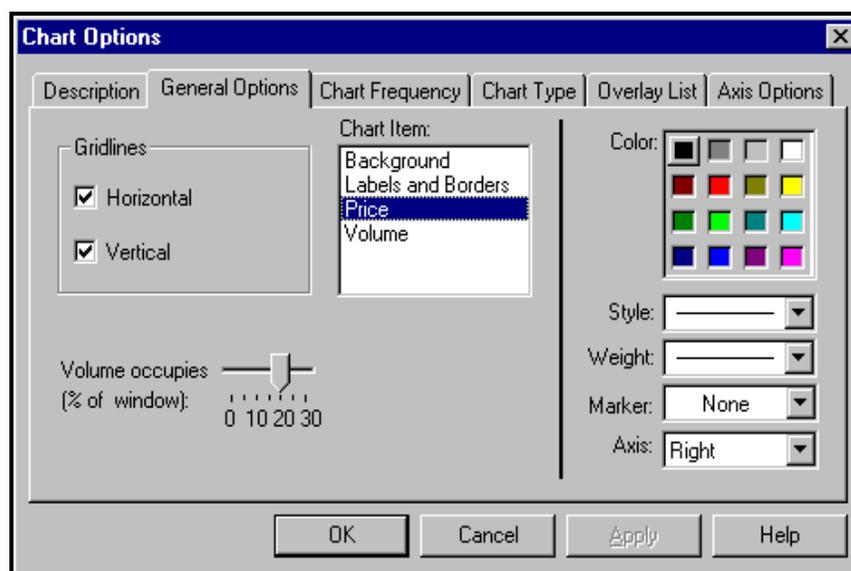
You can change the appearance of the various elements of your charts (colors, lines, and text attributes for the background, price, and volume elements).

To change chart appearance, open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** menu will be displayed. Click the **General Options** tab. Select the element you want to change and click **OK**.

Changing Background Color for the Chart

Open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** menu will be displayed.

Click the **General Options** tab. Highlight the *Background* option in the **Chart Items** section of the **Chart Options** dialog box. Select a new color from the palette box. Click **OK**.

Changing Labels and Borders Color

Open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** dialog box will be displayed.

Click the **General Options** tab. Highlight the *Labels and Borders* option in the **Chart Items** section of the **Chart Options** dialog box. Select a new color from the palette box. Click **OK.**

Modifying Price Plot

Open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** dialog box will be displayed.

Click the **General Options** tab. Highlight the *Price* option in the **Chart Item** section of the **Chart Options** dialog box.

To modify the style, weight, and color of the price plot line and specify axes labels, select new styles from the pull-down menus. Click **OK**.

Modifying Volume Plot

You can change the appearance of the Volume plot lines as well as the amount of space Volume lines occupy on the chart.

Volume lines

Open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** dialog box will be displayed.

Click the **General Options** tab. Highlight the *Volume* option in the **Chart Item** section of the **Chart Options** dialog box.

To change the style, weight, and color of the Volume plot line, and specify axes select new styles from pull-down menus. Click **OK**.

Editing Volume lines spacing

Volume charts occupy the lower part of the Price Action screen.

To change the amount of space Volume lines occupy on a chart, open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** dialog box will be displayed.

Click the **General Options** tab. In the **Volume** occupies (% window) section, use the adjustment bar to specify the screen space taken by the volume chart. Click **OK**.

Adding or Deleting Chart Gridlines

Open the Chart menu, choose *Chart Settings*, then **Current Settings**. The **Chart Options** dialog box will be displayed.

Click the **General Options** tab. In the **Gridlines** box, select appropriate check boxes. Click **OK**.

Understanding Overlay Options

The list of available overlays depends on whether the active ticker is a *Company*, an *Aggregate*, or an *Index*. You may display an almost unlimited variety of overlay combinations.

a. Possible overlay function(s) when an active ticker is a Company:

- Display Fundamental Absolute ratios overlays for the active ticker
- Display Fundamental Relative ratios overlays for the active ticker
- Add new Company ticker, Company Price Absolute
- Add new Company ticker, Company Price Relative
- Add new Company ticker, Company Fundamental Absolute
- Add new Company ticker, Company Fundamental Relative
- Add new Aggregate ticker, Price Absolute
- Add new Aggregate ticker, Price Relative
- Add new Aggregate ticker, Fundamental Absolute
- Add new Aggregate ticker, Fundamental Relative
- Add New Index ticker Price Absolute

b. Possible overlay function(s) when the active ticker is an Aggregate:

- Display Fundamental Absolute ratios overlays
- Display Fundamental Relative ratios overlays
- Add new Aggregate Ticker
- Add new Aggregate Price Absolute
- Add new Aggregate Price Relative
- Add new Aggregate Fundamental Absolute
- Add new Aggregate Fundamental Relative
- Add new Company Ticker, Company Price Absolute
- Add new Company Ticker, Company Price Relative
- Add new Company Ticker, Company Fundamental Absolute
- Add new Company Ticker, Company Fundamental Relative

c. Possible overlay function(s) when the active ticker is an Index:

- Add new Company Ticker, Company Price Absolute
- Add new Company Ticker, Company Price Relative
- Add new Company Ticker, Company Fundamental Absolute
- Add new Company Ticker, Company Fundamental Relative
- Add new Aggregate Ticker
- Add new Aggregate Price Absolute
- Add new Aggregate Price Relative
- Add new Aggregate Fundamental Absolute
- Add new Aggregate Fundamental

Creating New Chart Definitions

There are unlimited possibilities in creating new chart definitions.

With Company Overlays you can view the sensitivity of a stock to the various fundamental ratios, compare a stock's price and fundamentals against any industry, sector, or S&P 500. When selecting overlays, you can view them for the active ticker or any other company, aggregate, or market index.

Adding Fundamental Overlays

To view whether the stock price responds to the changes in the company's fundamentals, you can add the fundamental overlay.

To add the Fundamental overlay for the active company ticker select a company ticker from the **Ticker** pull-down menu (located to the left of the **Get Report** button).

Open the Chart menu, choose *Chart Settings*, then **New Settings**. The **Chart Options** dialog box will appear.

Click the **Overlays List** tab then click **Add**. The **Select Overlay Type** dialog box will appear (leave the **Current Ticker** box marked).

Select **Fundamental** then **Absolute** options by clicking the radio buttons then click **Next**. The **Select Overlay(s)** dialog box appears (click an overlay, to view its description in the description box).

Highlight an overlay then press **Next**. The **Overlay List** menu. reappears, specify the appearance of the overlay lines: style, weight, color, marker, and axes then click **OK**.

Adding Absolute Aggregate Price Overlays

To view how a company performed versus its respective sector, industry, or S&P 500, use the Aggregate Prices overlays.

To add the Absolute Aggregate Price overlay for the active company ticker, select a company ticker from the **Ticker** pull-down menu (located to the left of the **Get Report** button).

Open the Chart menu, select *Chart Settings*, then **New Settings**. The **Chart Options** dialog box will appear.

Click the **Overlays List** tab then click **Add**. The **Select Overlay Type** dialog box will appear.

De-select the **Current Ticker** box.

Select **Aggregate**, **Price** and **Absolute** options by marking the radio buttons then click **Next**. The **Select Aggregate** dialog box appears.

Open the **Class** menu, highlight the aggregate you want to add.

By default, ICA will pick the company-relevant Industry or Sector. The **Associated** check box will be marked. If you do not want the related Industry or Sector, de-select the **Associated** box. Some aggregates will also allow you to select from displaying either the Median or Market Cap weighted values.

After finishing the aggregate selection, click **Next**.

The **Overlay List** menu will appear, specify the appearance then click **OK**.

Adding Absolute Aggregate Fundamental Overlays

To view how a company performed versus its respective sector, industry, or S&P 500, use the Absolute Aggregate Fundamental overlays.

To add the Absolute Aggregate Fundamental overlay for the active company ticker, select a company ticker from the **Tickers** pull-down menu (located to the left of the **Get Report** button).

Open the Chart menu, select *Chart Settings*, then **New Settings**. The **Chart Options** dialog box will appear. Click the **Overlays List** tab then click **Add**.

The **Select Overlay Type** dialog box will appear. De-select the Current Ticker box.

Select **Aggregate**, **Fundamental** and **Absolute** options by clicking the radio buttons then click **Next**. The **Select Aggregate** dialog box will appear.

Open the **Class** menu, highlight the aggregate to add.

By default, ICA will pick the company-relevant Industry or Sector, the *Associated* check box will be checked. De-select it if you do not want it then click **Next**.

The **Select Overlay(s***)* dialog box will appear, click an overlay to view its description in the description box.

Highlight an overlay from the **Available Aggregate Overlays** list (depending on the overlay selected, you can display the Median, Market Cap Weighted, or Total values) then click **Next**.

You will return to the **Overlay List** menu, where you can specify the appearance then click **OK**.

Adding Index Price Overlay

To add an index price overlay, select a company ticker from the **Tickers** pull-down menu (located to the left of the **Get Report** button).

Open the Chart menu, select *Chart Settings*, then **New Settings**.

The **Chart Options** dialog box will appear. Select the **Overlays List** tab then click **Add**.

The **Select Overlay Type** dialog box will appear (leave the Current Ticker check box marked).

Select **Fundamental** and then **Absolute** options by clicking the radio buttons then click **Next**.

The **Select Overlay(s***)* dialog box appears (click an overlay, to view its description in the description box).

Scroll down to view the first Index overlay description. Highlight an Index overlay then click **Next**. The **Overlay List** menu reappears. Specify the appearance of the overlay lines: style, weight, color, marker, and axes then click **OK**.

Creating New Chart Definitions for Aggregates

You can chart prices and fundamental ratios for various Aggregated Classes: S&P 500, Zacks X (Expanded) Industry, Zacks X (Expanded) Sector, Zacks M (Medium) Industry.

Adding Absolute Fundamental Aggregate Overlays

To add the Fundamental Aggregate overlay for the active aggregate ticker, select an aggregate ticker from the **Tickers** pull-down menu (located to the left of the **Get Report** button).

Open the Chart menu, select *Chart Settings*, then **New Setting**.

The **Chart Options** dialog box will appear. Click the **Overlays List** tab then click **Add**.

The **Select Overlay Type** dialog box will appear (leave the Current Ticker check box marked).

Select **Fundamental** and then **Absolute** options by clicking the radio buttons then click **Next**.

The **Select Overlay(s)** dialog box appears (highlight an overlay, to view its description in the description box).

Highlight an overlay then click **Next**. The Overlay List menu reappears, you may then specify the appearance of the overlay lines: style, weight, color, specify a marker, or choose to display overlay data on the left axis.

Estimates

Overview

Deriving more value from brokerage equity research

The Estimates reports provide you with the most complete and accurate overview of sell-side analyst earnings estimates and stock recommendations available. The reports display the latest information on individual analysts recommendations, annual and quarterly EPS estimates and revisions, consensus, and Zacks Ratings for over 6,500 companies – showing you the flow of estimate revisions and recommendations from over 300 brokerage firms.

Performance of analysts not brokers

The estimates and recommendations in Estimates reflect the opinions of individual analysts who may have been employed by more than one broker during the period of evaluation. Thus, the ranking indicates the performance of the analyst and not his/her current employer. The broker name noted for each analyst is that of the firm he/she was employed by as of the date of the last estimate recorded.

Track record not short term performance

Zacks rates analysts over the long term — four years for estimates and over five years for recommendations. Consequently, rankings are a measure of the analyst's track record and are less likely to be affected by random, short-term events.

Quantitative tool for measuring the performance of sell side analysts

Zacks introduces objective standards into the decision process by quantitatively evaluating and ranking sell side analysts on two important performance measures: the accuracy of their earnings per share (EPS) forecasts and the utility of their stock ratings. Both these measures reflect only demonstrated performance.

Zacks analyzes data for over 6,500 companies aggregated into over seventy industry groups. This data covers multiple years and includes the EPS and stock ratings of over 2,500 analysts. The data shown in Estimates is associated with an individual analyst and stays with that analyst, regardless if he/she is employed by more than one firm during the period under evaluation.

Estimate reports evaluate the performance of people…not stocks. With these reports you have the ability to evaluate the analysts' past performances to better assess the credibility of their current EPS estimates and recommendations.

Estimate Reports Categories

There are several Estimates and Recommendations Reports available:

- Current Estimates and Ratings Report
- Rating Performance Report
- Annual EPS Accuracy Report
- Quarterly EPS Accuracy Report

Rating Performance Report, Annual EPS Accuracy Report, and Quarterly EPS Accuracy Report may not be included in your subscription.

Current Estimates and Ratings Report

Integrated Company Analysis - [Estimates: MSFT]

File Ticker View Tools Help

Price Action | Estimates | Snapshot | Co. vs Ind. | Peer Analysis

MSFT | Get Report | Abstracts

Ticker:	MSFT	Zacks Rating: Buy		Last Update:	02/16/2000
Company:	Microsoft Corp	EPS: 0.47	12/1999	Report Date:	R 01/18/2000
Industry:	Computer/Software & Svcs		03/2000	Report Date:	E 04/18/2000

Curr Rating & Ests | Rating Performance | Ann Est Accuracy | Qtr Est Accuracy

	ANALYSTS		RATING		ANNUAL ESTIMATES				QUARTERLY ESTIMATES			
	Analyst	Broker	Code	Date	06/2000	Date	06/2001	Date	12/1999	Date	03/2000	Date
☑	Scocozza R	Bear Stearn	SB	10/31/1997	1.69 ↑	01/18/2000	1.95	01/13/2000	0.42	01/18/2000	0.41	01/13/2000
☑	Christoph D	Crowell Wee	SB	11/01/1999	1.68	11/01/1999	1.70	01/25/2000				
☑	Specker M	Soundview T	SB ↑	10/20/1998	1.67 ↑	01/19/2000	1.92 ↑	01/19/2000	0.42	01/13/2000	0.41 ↑	01/19/2000
☑	Brosseau A	Sg Cowen Se	SB ↑	10/20/1999	1.64 ↓	01/24/2000	2.00	01/14/2000	0.42	01/14/2000	0.40 ↓	02/08/2000
☑	Sherlund R	Goldman Sac	SB ↑	04/19/1996	1.63	12/23/1999			0.42	12/23/1999	0.40	12/23/1999
☐	Not Ident.	Not Ident.	SB	12/11/1998	1.67		1.87	12/16/1999	0.43	12/23/1999	0.42 ↑	10/20/1999
☑	Young D	Paine Webbe	SB	12/16/1998	1.70 ↑	01/19/2000	1.95	12/23/1999	0.43	12/23/1999	0.41 ↑	01/19/2000
☑	Geran M	Pershing	SB ↑	09/23/1999	1.65	10/20/1999	2.00	10/20/1999				
☑	Maxick J	Madison Sec	SB	11/12/1996	1.69 ↑	01/20/2000	1.96 ↓	01/20/2000	0.43 ↑	10/20/1999	0.41 ↓	01/20/2000
☑	Herman N	Salomon Smi	SB	12/04/1997	1.66	12/24/1999	2.00 ↓	01/19/2000	0.42	12/24/1999	0.41 ↑	01/19/2000
☑	Stanek M	Lehman Brot	SB ↑	01/13/1997	1.64 ↓	01/19/2000			0.42	12/23/1999	0.41 ↑	01/19/2000
☑	O'Brien T	Branch Cabe	B	06/11/1999	1.64 ↑	01/05/2000	1.83	10/25/1999				
☑	Russell A	Edward Jone	B	12/30/1996	1.69 ↑	01/19/2000	1.90	01/19/2000				
☑	Galvin C	Chase H&Q	B	04/19/1996	1.72 ↑	01/19/2000	1.98 ↑	01/19/2000	0.42 ↑	10/21/1999	0.41 ↑	01/19/2000
☑	Crook D	Prudential	B ↑	07/20/1999	1.66 ↑	01/19/2000	1.85	01/05/2000	0.42 ↑	10/20/1999	0.40 ↑	01/19/2000
☑	Roskill A	Warburg Dil	B	04/15/1999	1.67 ↑	01/20/2000	1.90	01/20/2000	0.42 ↑	10/20/1999	0.41 ↑	01/20/2000
	Most Accurate Consensus:		SB		1.66 ↑		1.97 ↑		0.43 ↑		0.40 ↓	
	Most Recent Consensus:		B		1.68 ↑		1.90 ↓		0.42		0.41 ↑	
	Zacks Consensus:		B		1.67 ↑		1.91		0.43 ↑		0.41 ↑	
	Custom Consensus:		B		1.68		1.91		0.43		0.41	

Current Estimates and Ratings reports contains: ticker symbol, company name, industry, EPS report dates, analysts, brokers, current recommendation and its date, current and next fiscal year estimates, current and next fiscal quarter estimates, consensus data for ratings and estimates, and Zacks rating.

Current Estimates and Ratings Report Components

Company Information

- **Ticker**

  The company's ticker symbol.

- **Company**

  The company name.

- **Industry**

  One of more than seventy industry groups. These groupings represent an aggregation of the over 200 industry categories under which Zacks records data.

Last Update

The date of the database update.

Zacks Rating

The Zacks Rating is based on our proprietary model that uses earnings estimate revisions and earnings surprises to predict short-term price movements. Stocks are rated as a Strong Buy, Buy, Hold, Sell, or a Strong Sell. These ratings have shown to be an accurate predictor of stock price performance (relative to market) for the coming 90-180 days as oppose to

the analyst's long-term predictions that usually represent a 6-12 month outlook.

The Zacks Rank is also a relative measure, comparing stock against the entire universe of stocks, and the distribution of ranks reflects this: approximately 20% of stocks are ranked Buy or Strong Buy; 60% of stocks are ranked Hold; and 20% ranked Sell or Strong Sell.

Analyst/Broker

Analyst

Under the **Analyst** heading is a list of the names of the individual analysts. An analyst name listed as **Not Ident** means authorization is needed to view the name.

Click the **Analyst** heading to sort the column.

Broker

Under the **Broker** heading is a list of the names of the brokerage houses and independent research institutions that currently employ the analyst. A broker name listed as **Not Ident** means authorization is needed to view the name.

When the Broker column has the **CO FORECAST** entry, it identifies the company's own estimates for the earnings.

You can click the **Broker** heading to sort the column.

Ratings Code and Date

Rating Codes

The analyst ratings are presented as follows:

SB - Strong Buy

B - Buy

H - Hold

S - Sell

SS - Strong Sell

NR - No Rating (or you may not be authorized to view certain analyst's recommendations).

An up/down arrow next to the rating code indicates a recent rating change by an analyst. The direction of the arrow indicates a change from the previous analyst's recommendation.

A red rating code indicates the most accurate analysts.

You can click the **Code** heading to sort the column.

Rating Dates

Rating dates show the date of the recommendation or a revision date. Simple rating confirmations do not affect the original or revised rating dates.

A blue rating date indicates the most recently released analyst recommendation.

You can click the **Date** heading to sort the column.

Annual Estimates

The Annual Estimates section lists the analyst's EPS projections for the current and next fiscal years.

Current Fiscal Year Estimates

The leftmost column of the **Annual Estimates** section shows the latest estimates for the company's current fiscal year. The column's heading shows the month and the year the current fiscal year will end in the **MM/YYYY** format (for example, 12/2000).

An up or down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. You can click the **MM/YYYY** heading to sort the column.

Date of Annual EPS Estimate

The **Date** column shows the date of the current fiscal year estimate. A blue rating date indicates the most recently released analyst EPS estimates. Click the **Date** heading to sort the column.

Next Fiscal Year Estimates

Analysts' EPS estimates for the next fiscal year are listed in the Annual Estimates section in the column headed by the month and year (MM/YYYY) the company's next fiscal year will end.

An up or down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. You can click the MM/YYYY heading to sort the column.

Date of Annual EPS Estimate

The **Date** column shows the date of the next fiscal year estimate. A blue rating date indicates the most recently released analyst EPS estimates. Click the **Date** heading to sort the column.

Quarterly Estimates

The **Quarterly EPS Estimates** section lists all analysts' EPS projections for the current and next fiscal quarters.

Current Fiscal Quarter Estimates

The leftmost column of the **Quarterly Estimates** section shows the latest estimates for the current fiscal quarter. The column's heading shows the month and the year the current fiscal quarter will end in the **MM/YYYY** format (for example, 03/2000).

An up or down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red.

Click the **MM/YYYY** heading to sort the column.

Date of Quarterly EPS Estimate

The **Date** column shows the date of current fiscal quarter estimate. A blue rating date indicates the most recently released analyst EPS estimate. Click the **Date** heading to sort the column.

Next Fiscal Quarter Estimates

Analysts' EPS estimates for the next fiscal quarter are listed in the **Quarterly Estimates** section in the column headed by the month and year (MM/YYYY) the company's next fiscal quarter will end.

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↑

An up or down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. Click the **MM/YYYY** heading to sort the column.

Date of Quarterly EPS Estimate

The **Date** column shows the date of next fiscal quarter estimate.
A blue rating date indicates the most recently released analyst EPS estimate.
Click the **Date** heading to sort the column.

Consensus

Consensus data for recommendations and estimates is displayed in the lower portion of the Estimates report. There are separate consensus items for the ratings and for the annual and quarterly estimates.

Most Accurate Consensus

The most accurate EPS consensus (displayed in red) is computed by ranking the analyst's historical performance.

Annual EPS Estimates - Most Accurate Consensus Criteria

The most accurate EPS consensus is the average of the top quartile of the analysts making forecasts, for whom we have history.

Most Accurate Annual EPS Estimates Consensus Criteria

The criteria for annual analyst EPS accuracy is the average number of month end forecasts during the past four years when the analyst's annual EPS absolute forecast error was less than the absolute consensus error for the year.

Quarterly EPS Estimates - Most Accurate Consensus Criteria

Most Accurate Quarterly EPS Estimates Consensus Criteria

The criterion for quarterly analyst EPS accuracy is the average of the analyst's absolute errors for the last two quarters.

Most Accurate Recommendations

Most Accurate Recommendation Ranking Criteria

Recommendation performance rates analysts based on the accuracy of their recommendations. Zacks uses two measures to evaluate an analyst's ability to rate stocks -- "Win Percentage" and "Excess Return".

A Win is recorded for each analyst's recommendation that beat the performance of an equal weighted industry index for all buy and sell ratings. Ties are broken by measuring how much the average buy recommendation was in excess of the average industry performance.

The final results are expressed in terms of Strong Buy, Buy, Hold, Sell, or Strong Sell.

Most Recent Consensus

The average of the most recent 25% of analysts' annual or quarterly estimates and recommendations (dates displayed in blue).

Zacks Consensus

Zacks consensus is computed for the current and next fiscal year estimates, current and next fiscal quarter estimates and recommendations. The Zacks consensus is the average (mean) of all analysts' estimates or recommendations for the company.

Custom Consensus

Custom consensus lets you compute your own consensus for ratings or annual and quarterly EPS (for example, create a custom consensus to include analysts only from national brokerage houses).

To create a custom consensus, de-select the box next to the analyst's name you wish to exclude. As each boxes is unchecked your custom consensus will automatically be calculated.

Rating Performance Report

This report shows you the best runs of each analyst for the past five years. A run is a time period during which the analyst was recommending the stock a Strong Buy or a Buy. If an analyst had more than one run during a period, we only display the best run.

This report allows you to evaluate how individual analyst's recommendations performed in the past and whether the analysts have been successful in making recommendations for the company.

You can also view a chart with the analyst's ratings history from the moment he or she began covering the company. The data associated with individual analyst stays with that analyst, whether or not he or she is employed by more than one firm during the period under evaluation.

Rating Performance Report Components

Company Information

- **Ticker**

  The company's ticker symbol.

- **Company**

  The company name.

- **Industry**

  One of more than seventy industry groups. These groupings represent an aggregation of the over 200 industry categories under which Zacks records data.

Last Update

The date of the database update.

Zacks Rating

The Zacks Rating is based on our proprietary model that uses earnings estimate revisions and earnings surprises to predict short-term price movements. Stocks are rated as a Strong Buy, Buy, Hold, Sell, or a Strong Sell. These ratings have shown to be an accurate predictor of stock price performance (relative to the market) for the coming 90-180 days as oppose to the analyst's long-term predictions that usually represent a 6-12 month outlook.

The Zacks Rank is also a relative measure, comparing stock against the entire universe of stocks, and the distribution of ranks reflects this: approximately 20% of stocks are ranked Buy or Strong Buy; 60% of stocks are ranked Hold; and 20% ranked Sell or Strong Sell.

Analyst/Broker

Analyst

Under the Analyst heading is a list of the names of the individual analysts. If the analyst name is listed as **Not Ident** - it means that you do not have an authorization to view the name.

You can click the **Analyst** heading to sort the column.

Broker

Under the Broker heading is a list of the names of the brokerage houses and independent research institutions that currently employ the analyst. If the broker name is listed as **Not Ident** - it means that you do not have an authorization to view the name.

You can click the **Broker** heading to sort the column.

Ratings Code and Date

Rating Codes

The analyst ratings are presented as follows:

SB - Strong Buy

B - Buy

H - Hold

S - Sell

SS - Strong Sell

NR - No Rating (or you may not be authorized to view certain analyst's recommendations).

An up/down arrow next to the rating code indicates a recent rating change by an analyst. The direction of the arrow indicates a change from the previous analyst's recommendation.

A red rating code indicates the most accurate analysts. Click the **Code** heading to sort the column.

Rating Dates

Rating dates show the date of the recommendation or a revision date. Simple rating confirmations do not affect the original or revised rating date.

A blue rating date indicates the most recently released analyst recommendation. Click the **Date** heading to sort the column.

All Runs (Recommendation Performance)

A run is a time period during which the particular recommendation was maintained.

#RECOM: The number of buy and sell recommendations made by the analyst for the company in the last five years.

WIN% (Win Percentage): The percent of the recommendations that outperformed an equal weighted industry index.

The WIN% is a measure of the analyst's ability to identify stocks that have superior or inferior performance compared to that of the industry. The WIN% gives credit to both buy and sell ratings if, subsequent to the rating, the stock performs as predicted in relation to its industry's group's equal weighted index. It is not meant to measure the magnitude of a stock's' performance in relation to that of the industry, rather the degree to which the direction of the analyst's rating was accurate.

See the Appendix section "Estimates Reports Methodology" for details and calculation descriptions.

Average Buy Return

#MO: The average number of months the stock was recommended as Buy by the analyst.

RET: The average return of each Buy recommendation.

IND: The average return of an equal weighted industry index during the same period as the stock recommendation.

EXC: An approximation of a "wealth index," Excess Return reflects the difference between the average return calculated for the analyst's buy recommendations and the average returns of the equal weighted industry index for the period during which the recommendations were in effect.

The Excess Return evaluates what an investor's profit could have been, if he or she had diligently acted upon the analyst's buy recommendations.

Best Buy Return

The buy recommendations with the best returns during the past five years are shown in the Best Buy Return section.

#MO: The number of months with the best returns.

RET: The return of the recommendation with the highest return.

IND: The return of an equal weighted industry index for the same period as the best buy recommendation.

Analyst Rating History Plot
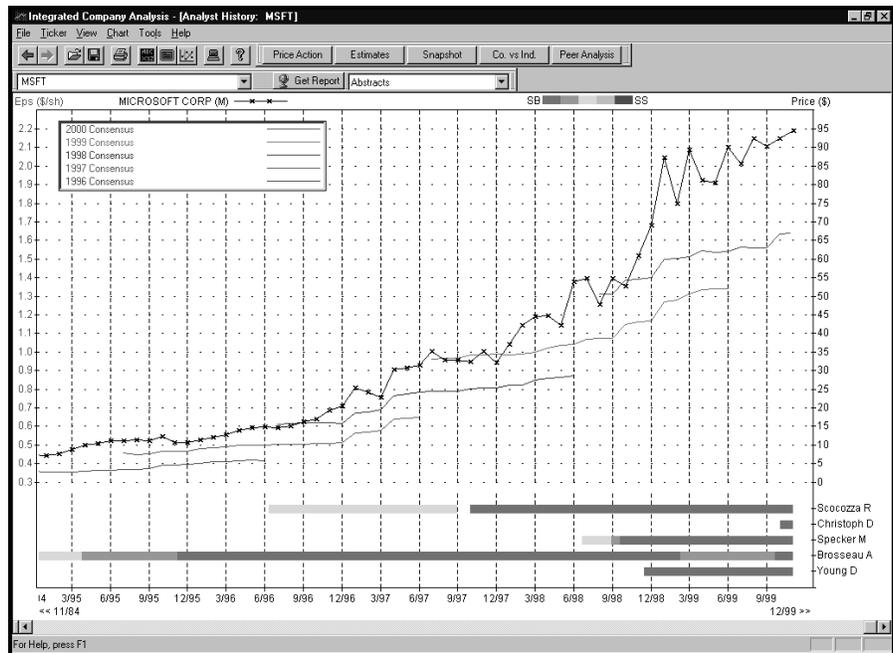
Analyst Rating History charts display how analyst recommendations have changed over time. To access the Analyst Rating history, open the Rating Performance report menu, select up to five analysts, whose historical performance you want to evaluate, by checking the box to the left of the analyst's name.

Click the **Plot History** button.

The Analyst Rating History chart appear on the last used Price Action chart.

Interpreting Analyst Rating History Charts

The Analyst Rating History chart displays Analyst Ratings as horizontal bars on the Price Action chart that was used last in place of volumes. Each horizontal bar represents one analyst. The color of the bar represents the recommendation as follows:

- Dark Green – Strong Buy
- Green – Buy
- Light Blue – Hold
- Light Red – Sell
- Red – Strong Sell

- Empty – No Rating

Recommendations Details
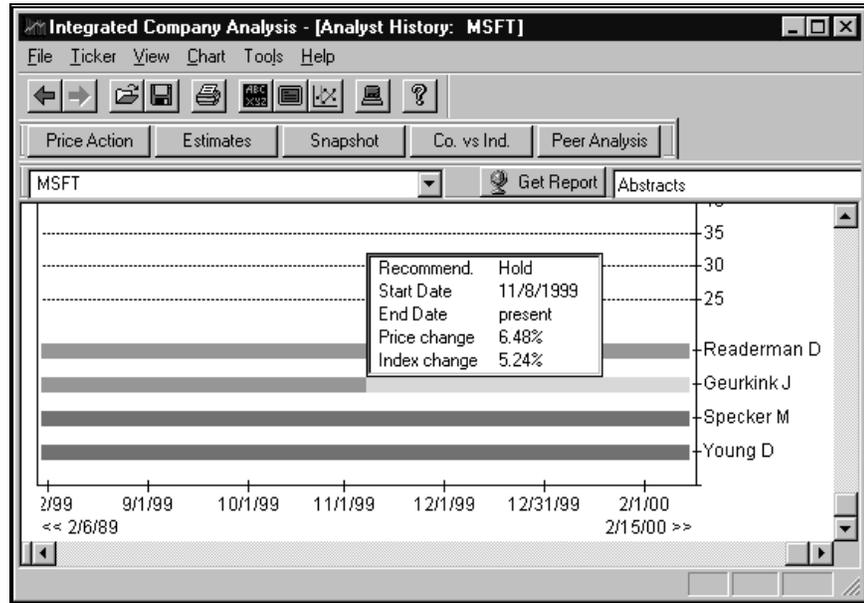
You can also view the details of each recommendation by moving your mouse over the Analyst Ratings horizontal bar.

A data box appears containing the following information:

Recommendation: Analyst rating expressed as Strong Buy, Buy, Hold, Sell, or Strong Sell.

Start Date: The beginning date of the recommendation.

End Date: The end date of the recommendation.

Price Change: Stock's price change during the recommendation period (dividend are not included).

Index Change: The change in relevant Zacks X Industry Price Index during the recommendation period.

Annual EPS Accuracy Report

The Annual EPS Accuracy Report displays how many months in a given year, an analyst's estimate was more accurate than that month's consensus for that fiscal year.

For Estimate Performance calculations Zacks is using the monthly forecasts of fiscal year earnings for the last four years.

To be eligible, an analyst must have (a) rated at least three separate stocks within a given industry for the past five years, and (b) have at least one EPS forecast on file for the current fiscal year. This second requirement is meant to ensure that, although an analyst may not have issued buy or sell ratings for any of his or her stocks during the most recent year, the analyst is still following the industry.

Annual EPS Accuracy Report Components

Company Information

- **Ticker**

  The company's ticker symbol.

- **Company**

  The company name.

- **Industry**

  One of more than seventy industry groups. These groupings represent an aggregation of the over 200 industry categories under which Zacks records data.

Last Update

The date of the database update.

Zacks Rating

The Zacks Rating is based on our proprietary model that uses earnings estimate revisions and earnings surprises to predict short-term price movements. Stocks are rated as a Strong Buy, Buy, Hold, Sell, or a Strong Sell. These ratings have shown to be an accurate predictor of stock price performance (relative to the market) for the coming 90-180 days as oppose to the analyst's long-term predictions that usually represent a 6-12 month outlook.

The Zacks Rank is also a relative measure, comparing stock against the entire universe of stocks, and the distribution of ranks reflects this: approximately 20% of stocks are ranked Buy or Strong Buy; 60% of stocks are ranked Hold; and 20% ranked Sell or Strong Sell.

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When the Broker column has the **CO FORECAST** entry, it identifies the company's own estimates for the earnings.

Click the **Broker** heading to sort the column.

Annual Estimates

The **Annual Estimates** section lists the analysts' EPS projections for the current and next fiscal years.

Current Fiscal Year Estimates

The leftmost column of the Annual Estimates section shows the latest estimates for the company's current fiscal year. The column's heading displays the month/year the current fiscal year will end in the **MM/YYYY** format (for example, 12/2000).

An up/down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. Click the **MM/YYYY** heading to sort the column.

Date of Annual EPS Estimate

The **Date** column shows the date when the current fiscal year estimate was made. A blue rating date indicates the most recently released analyst EPS estimates. Click the **Date** heading to sort the column.

Next Fiscal Year Estimates

Analysts' EPS estimates for the next fiscal year are listed in the **Annual Estimates** section below the column headed by the month/year (MM/YYYY) the company's next fiscal year will end.

An up/down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. Click the **MM/YYYY** heading to sort the column.

Date of Annual EPS Estimate

The **Date** column shows the date when the next fiscal year estimate was made. A blue rating date indicates the most recently released analyst EPS estimates. Click the **Date** heading to sort the column.

Number of Month Analyst Beats Consensus

There are four columns in the # of Month Analyst Beats Consensus display. Each column represents one of the past four company's fiscal years, identified by that fiscal year end date.

For each year, we look at the analyst estimate 12 times during that year (at each month end). We then compare that estimate with the consensus on that date and note if the analyst was more accurate than the consensus. As the result, the number of months (out of 12 observations) when the analyst's absolute forecasting error was less than the consensus absolute error is then shown in each column.

Quarterly EPS Accuracy Report

The Quarterly EPS Accuracy Report displays by how much each analyst missed the actual each quarter for the past four quarters. The report also shows the Consensus error for that quarter.

For Estimate Performance calculations Zacks is using the EPS forecasts of quarterly earnings for the last four fiscal quarters.

Period of Evaluation

To be eligible, an analyst must have (a) rated at least three separate stocks within a given industry for the past five years, and (b) have at least one EPS forecast on file for the current fiscal year. This second requirement is meant to ensure that, although an analyst may not have issued buy or sell ratings for any of his or her stocks during the most recent year, the analyst is still following the industry.

Quarterly EPS Accuracy Report Components

Company Information

- **Ticker**

  The company's ticker symbol.

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Zacks Rating

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The Zacks Rank is also a relative measure, comparing stock against the entire universe of stocks, and the distribution of ranks reflects this: approximately 20% of stocks are ranked Buy or Strong Buy; 60% of stocks are ranked Hold; and 20% ranked Sell or Strong Sell.

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When the Broker column has the **CO FORECAST** entry, it identifies the company's own estimates for the earnings.

Click the **Broker** heading to sort the column.

Quarterly Estimates

The Quarterly EPS estimates section lists all analyst EPS projections for the current and next fiscal quarters.

Current Fiscal Quarter Estimates

The leftmost column of the Quarterly Estimates section displays the latest estimates for the current fiscal quarter. The column's heading displays the month/year the current fiscal quarter will end in the **MM/YYYY** format (for example, 03/2000).

An up/down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. Click the **MM/YYYY** heading to sort the column.

Date of Quarterly EPS Estimate

The **Date** column shows the date when the current fiscal quarter estimate was made. A blue rating date indicates the most recently released analyst EPS estimate. Click the **Date** heading to sort the column.

Next Fiscal Quarter Estimates

Analyst EPS estimates for the next fiscal quarter are listed in the Quarterly Estimates section in the column headed by the month and year (MM/YYYY) the company's next fiscal year will end.

An up/down arrow next to the estimate indicates a recent estimate revision. The direction of the arrow indicates a change from the previous analyst's estimate.

Estimates made by the Most Accurate Analysts are shown in red. Click the **MM/YYYY** heading to sort the column.

Date of Quarterly EPS Estimate

The **Date** column shows the date when the next fiscal quarter estimate was made. A blue rating date indicates the most recently released analyst EPS estimate. Click the **Date** heading to sort the column.

Estimate Errors

There are four columns in the **Estimate Error** section. Each column represents one of the past four fiscal quarters for the company and is identified in its heading by that quarter's end date. These dates are shown in the MM/YYYY format (for example, 12/1999, 09/1999, 06/1999, 03/1999).

The data shown in each column is the Quarterly Analyst Error for that quarter.

Quarterly Analyst Error

The Quarterly Analyst Error is the difference between the quarter's actual EPS and the analyst's EPS estimate for that quarter as of the last day of the given quarter.

Margin of Error - Top Quartile Performance (*)

An asterisk next to the analyst's estimate denotes a margin of error in the top 25% percent of all analysts. Observed when analyst's error is less then consensus error.

Consensus Error

The report also includes the consensus error for each quarter. Consensus Error is the difference between the consensus estimate for the quarter and the actual quarterly EPS.

Snapshot

Overview
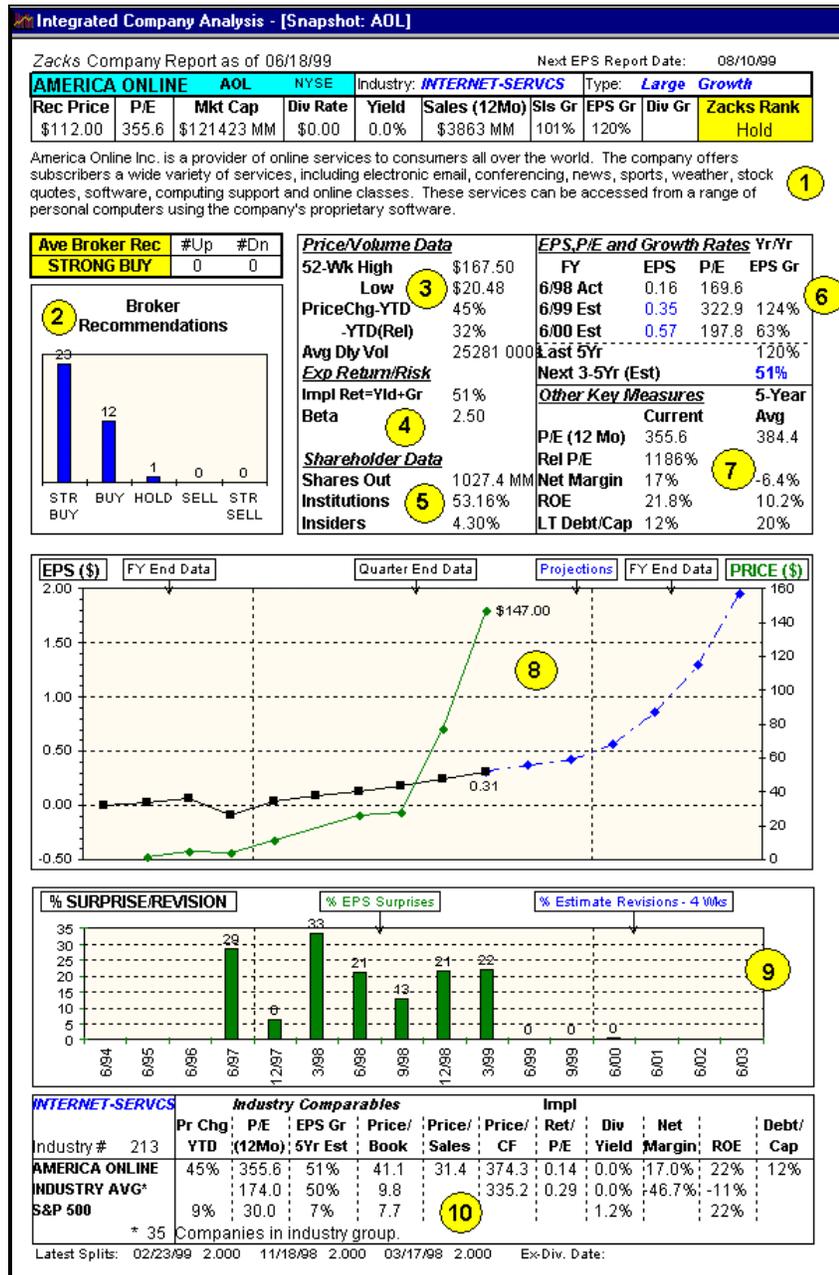
The Snapshot is a company report featuring company description, actual and estimated EPS, company vs. industry ratings, fundamental data, broker recommendations and price charts.

Snapshot Report Components

Company Summary Table and Business Description *(1)*

The most commonly referred pieces of data on a stock are located near the top of the report for easy references. Items here include company name, ticker symbol and the Exchange on which the stock is traded, price, P/E ratio (trailing twelve months), Market Capitalization, Industry, company type, current dividend rate and Dividend Yield, 12 month sales, growth rates for sales, EPS, and dividends for the past five years and Zacks Performance Ranking.

Zacks Performance Rank - Research has shown that one of the most powerful forces driving a stock performance is change in earnings estimates from brokerage analysts. The Zacks Rank (also called Zacks Rating) is a short-term trading indicator based primarily on the momentum of revisions in analysts' earnings estimates. The ranking — ranging from 1 (Strong Buy) to 5 (Strong Sell) — has been shown to be an accurate predictor of stock price performance (relative to the market) for the coming 90-180 days.

Company Type - The company type is based on its Market Cap and Price/Book ratio.

Market Cap	Price/Book
< $800 mil – Small	< 1.75 – Value
> $3500 mil – Large	> 3.5 – Growth
> $800 mil and < $3500 mil – Mid	> 1.75 and < 3.5 – Blend

Business Description - The brief business description provided beneath the summary table.

Broker Recommendations Data and Charts *(2)*

The Average Broker Recommendation is highlighted and the number of analysts who have revised their opinion of the stock up or down in the past four weeks is noted. The recommendations, which are updated continuously based on information Zacks receives from brokerages firms, are broken into five categories: Strong Buy, Buy, Hold, Sell, Strong Sell. The convenient histogram format allows you get a quick feel for both the number of analysts actively following the stock and their opinions about the stock's relative attractiveness.

Price/Volume Data *(3)*

This section of the report includes data indicating the stock's price range over the last 52 weeks as well as year-to-date price change for the stock and its performance relative to the S&P 500. The average daily trading volume for the last 20 trading days is also provided.

Expected Return/Market Risk *(4)*

Implied Return

The stock's implied return is calculated by adding a stock's current dividend yield to its estimated long-term EPS growth rate. The implied return is a handy performance measure which could approximate the total annual return (including dividends and capital appreciation) an investor might achieve over the next several years provided the projected growth on EPS actually materializes and the P/E ratio does not change.

Beta

A stock's Beta is a statistical measure of its sensitivity to past market movements. A stock with a beta of 1.5 has historically seen its price move (up or down) one and one-half times the percentage change in the broader equity market.

Shareholder Data (5)

This section includes data on the number of shares outstanding and the percentage owned by Inside Management and Institutional Investors. Some Institutional sponsorship is desirable because these large investors typically trade large blocks of stocks that can result in significant upward price movements. However, too high a level of Institutional ownership can increase a stock's downside risk because these large shareholders represent potential sellers if something goes wrong at the company. Significant ownership by corporate insiders is considered favorable because management's interests are then more closely aligned with other shareholders.

Fundamental and Technical data

EPS, P/E and Growth Rates (6)

This section summarizes the company's recent Actual and Estimated EPS, P/E and Year-to-Year EPS Growth Rates.

Current and 5-year Average Data (7)

This section includes five key measures as they stand currently versus historically (average of the last five years). These measures are: P/E ratio (trailing 12 months), P/E ratio relative to the S&P 500, Net Margin, Return on Equity (ROE), and the Long-Term Debt To Capitalization Ratio - a key indicator of financial risk. Stocks trading below (above) their historical P/E and relative P/E ratios may be cheap (expensive) unless there have been fundamental changes in the company's growth prospects. Similarly, changes in a company's profitability or capital structure from previous norms are important to note.

Actual EPS and EPS Estimates vs. Stock Price Chart (8)

The chart at the center of the Snapshot report plots the stock price versus the 12-month earnings per share. The chart includes fiscal year-end data going back five years, quarter-end data for the last four and next two quarters, and estimated earnings projected 1,2 and 3-5 years out. While not intended for use as a technical analysis tool, the price chart provides a visual representation of how the stock has been trading relative to its past growth in earnings as well as how Wall Street perceives its future earnings growth prospects.

EPS Surprises and Estimate Revisions Chart (9)

A plot of the EPS surprises for the last four quarters and the 12 week earnings estimate revisions for the current and next fiscal years are displayed in a bar graph below the price chart. Earnings surprises are the percent by which a company's earnings exceed or fall short of the consensus estimates for a company on the EPS report date.

Company vs. Industry Comparison (10)

The table located at the bottom of a Snapshot report provides an overview of how a company measures against its industry peers and the overall market on a number of key measures. This data includes year-to-date price change, P/E (12 month), estimated 3-5 year EPS growth rate, Price/Book,

Price/Sales, Price/Cash Flow, implied return to P/E ratio, dividend yield, Net Margin, ROE, and Debt/Capital.

The industry comparable data is most useful for relatively homogeneous industries. Zacks large number of industry classifications (over 200) helps to insure comparability between companies.

Company vs. Industry Analysis

Overview
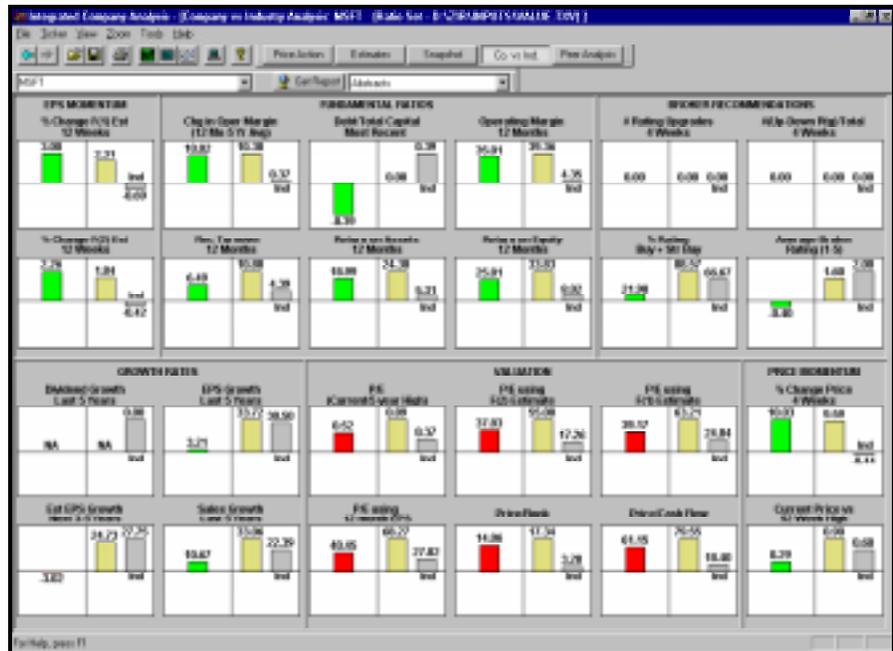
The Company vs. Industry Analysis report is great for showing how one particular stock measures against your favorite stock-picking criteria. You can graphically evaluate the investment attractiveness of a company versus the industry median.

On the Company vs. Industry Analysis charts, the bar representing the company is colored yellow and the bar representing the benchmark is colored gray.

If a company's ratio beats the benchmark, the "variance" bar is colored green. If a company's ratio does not beat the benchmark, the "variance" bar is colored red. For items where the lower number is better (for example Average Broker Rating), the "variance" bar will be colored conversely: below the benchmark will be green, and above the benchmark will be red.

Company vs. Industry Analysis Report Components

The Company vs. Industry Analysis report can contain ratios from up to six different categories: EPS Momentum, Fundamental Ratios, Broker Recommendations, Growth Rates, Valuation, and Price Momentum.

Peer Analysis and Company vs. Industry Analysis use the same set of ratios. When you create or edit the ratio set, it can be used with both the Company vs. Industry Analysis and Peer Analysis reports.

Company vs. Industry Analysis Ratio Sets

What ratios are displayed in the report is determined by the special Ratios Set file. By default, Company vs. Industry Analysis uses the Value (*.txv) Ratio Set. Edit or create a Ratio Set using the Ratio Set Editor.

Ratio Set Editor

Create a new Ratios Set or edit an existing one using the Ratios Set Editor.

Creating Ratio Sets
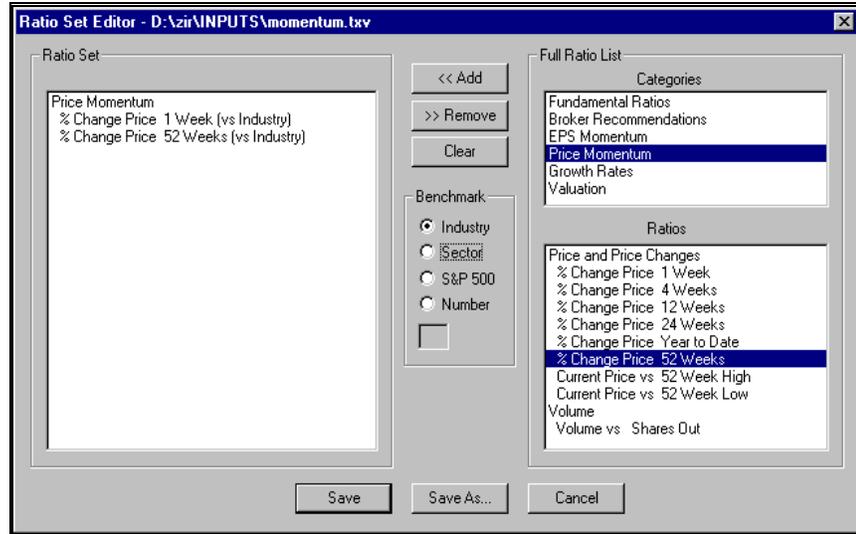
To create a new Ratio Set open the Tools menu then select *Ratio Set Editor* or click the **Ratios Editor** button on the tool bar. The **Edit Ratio** dialog box appears. For new ratios set file, enter the ratio set name in the **File** name box then click **Yes**.

A **Ratio Set Editor** dialog box will appear. The Ratios Set section will be empty.

From the **Full Ratio List** section, select a category. Available ratios from that category will display in the Ratios section. Highlight a ratio from the Ratios list. Use the scroll bar to view all available ratios.

Specify a benchmark (select from Industry, Sector, S&P 500 or number). When using the Number as your benchmark, enter in the desired value in the Number box.

To add a selected ratio, click **<< Add**. The ratios will display in the **Ratio Set** section (ratios will be added to their corresponding categories). To delete all ratios, click **Clear**. When the ratio set is complete, click **Save**.

You may select up to 14 ratios from the same category…

Editing Ratio Sets
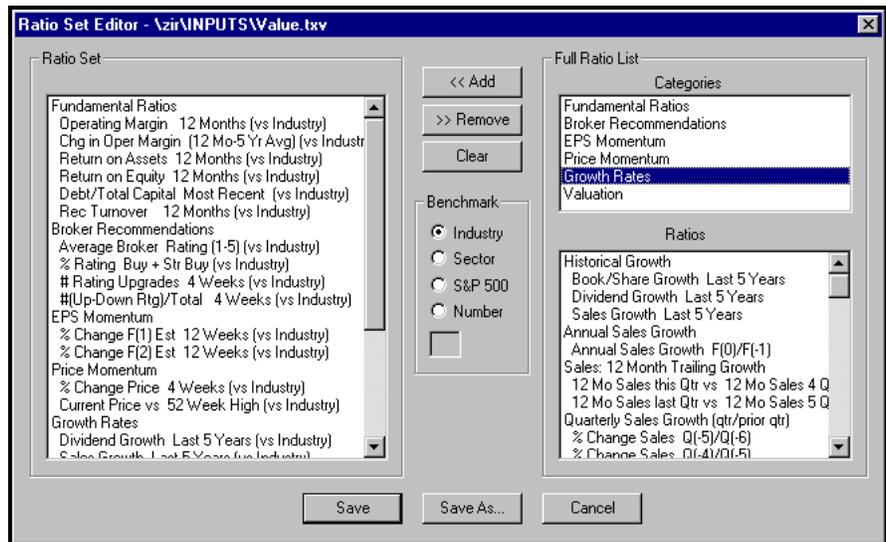
To edit a previously created Ratio Set, open the Tools menu, select *Ratio Set Editor* or click the **Ratios Editor** button. The **Edit Ratio** dialog box appears.

Select a file then click **Open**.

A **Ratio Set Editor** dialog box will display.

To remove a ratio from the list, highlight that ratio from the **Ratio Set** list and click the **>> Remove** button.

To add a new ratio to the Ratio Set, highlight a Ratio Category from the Full Ratio List. A list of available ratios from that category will display in the **Ratios list**. Highlight a ratio from the **Ratios list**. Use the scroll bar to view all available ratios.

Specify the benchmark, (select from Industry, Sector, S&P 500 or number). When using a Number option as your benchmark, type the desired value in the Number box.

To add a selected ratio, click the **<< Add** button. The ratio will display in the **Ratio Set** section (ratios will be added to their corresponding categories). To delete all ratios, click **Clear**.

When the ratio set is complete, select the **Save As..** button to save the ratio set file under a new name; choose **Save** to overwrite the existing file.

Selecting Ratio Sets

To select a new default ratio set, open the Tools menu, select *Select Ratio Set*. The **Select Ratio Set** dialog box will appear. Select a Ratio Set file then click **Open**.

Peer Analysis

Overview

With the Peer Analysis reports you can graphically compare any active ticker on the current Ticker List (portfolio) with its peers based on historical sales, net income, past and future EPS, brokerage firm recommendations or many other investment criteria.

The Peer Analysis report displays ratios from the ratio sets that can be edited to match your own decision making process and can be customized to match your requirements.

By default, Peer Analysis is using Zacks Peer Group (called Automatic Peer Group). You can use the Custom Peer Group option to view the group of companies that you put together.

Zacks Peer Group

By default, Peer Analysis will select a Zacks Peer Group for the active ticker on the current Ticker List (portfolio). The Peer Analysis automatically selects a Peer Group of companies in the same industry as the selected company. The company's industry assignment is based on Zacks Expanded Industry Classification (200+ codes). A Peer Group can contain up to eight companies. Reported annual sales numbers are basis for selection to Peer Group, i.e., companies in the same industry with the similar sales volumes will be grouped together.

Custom Peer Group

To view a Peer Analysis report for all companies on your current **Ticker List** (portfolio), select *Custom Peer Group* from the Tools menu.

Selecting Companies for Custom Peer Groups
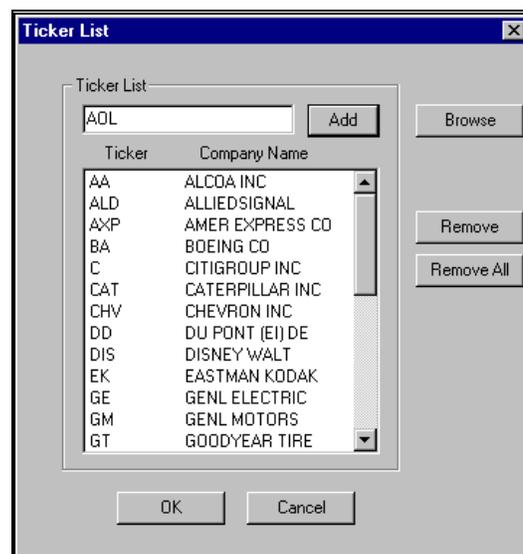
Selecting Custom Peer Group option will display the Peer Analysis report for all companies on your active **Ticker List**.

To create a Ticker List with companies for you custom group, open the Ticker menu, choose *Companies* or click the **Companies** button on the ICA toolbar. The **Ticker List** dialog box will appear.

Click the **Remove All** button to clear the **Ticker List**.

In the **Add Ticker List** box enter a ticker symbol. For entering more than one ticker at a time, a space or a comma must separate each ticker symbol.

Click **Add** or press **Enter** then click **OK** when done.

Be sure to save and name your Ticker List.

Selecting Ticker List for Custom Peer Groups

To select a Ticker List for the Peer Analysis report, open the File menu, select *Open*. Select a Ticker List to open then click **OK**. The specified Ticker List will become active. Open the Tools menu, select *Custom Peer Group*.

Peer Analysis Components

The Peer Analysis report allows you to display various fundamental ratios from up to six Ratio Categories. It also shows the companies in the Peer Group. All the data is displayed in the Information Table and a Fundamental ratios comparison chart.

Peer Analysis Ratio Categories

Peer Analysis displays information from up to six ratio categories: EPS Momentum, Fundamental Ratios, Broker Recommendations, Growth Rates, Valuation, and Price Momentum. To toggle between these ratio categories, highlight the category name you wish to see displayed in a report.

Information for the items in the selected category will display in the Information Table in the lower section of the Peer Analysis report.

If the ratio set does not contain ratios from each of the six categories, you must select from the displayed categories only.

Peer Analysis Information Table
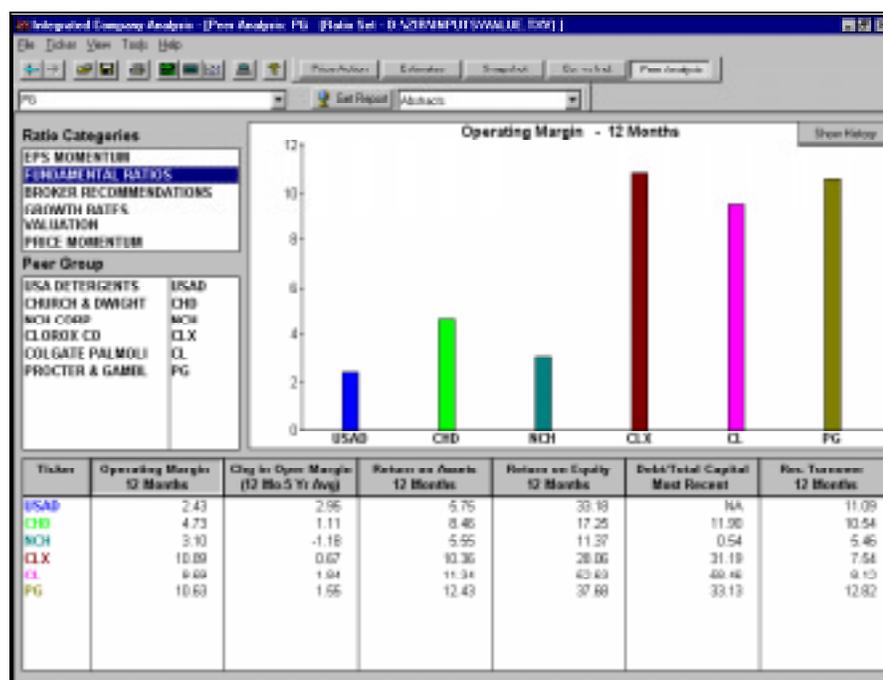
Financial data for the selected ratio category appears in the Information Table in the lower section of the Peer Analysis report. To view a graph of each ratio displayed in the table, click the column title in the Peer Analysis Information Table.

Peer Analysis Ratio Sets

What ratios are displayed in the report is determined by the special Ratios Set file. By default, Peer Analysis uses the Value (*.txv) Ratio Set. You can edit or create a Ratio Set file using the **Ratio Set Editor**.

Peer Analysis and Company vs. Industry Analysis use the same set of ratios. When you create/edit the ratios set, it can be used with both the Company vs. Industry Analysis and Peer Analysis reports.

Historical Peer Analysis Charts
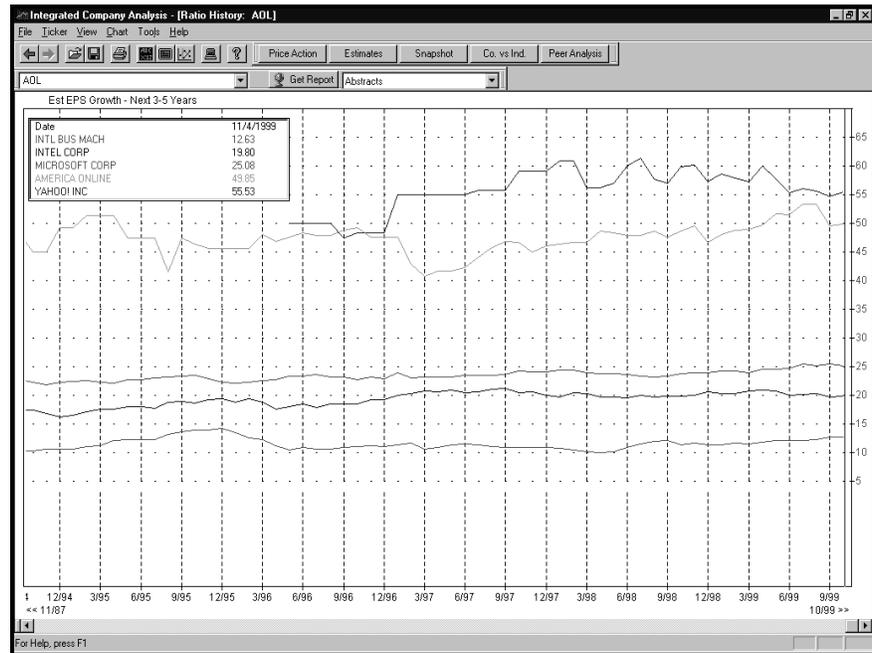
When a Peer Analysis report is displayed, you can view historical data for the selected item for the companies in your current peer group.

To display a historical chart for the specific ratio Select a ratio from the **Peer Analysis Information Table** by clicking the column title.

Click the **Show History** button located in the upper right corner of the Peer Analysis chart. The **Peer List** dialog box will be displayed.

Select multiple companies by holding SHIFT and pressing the UP/DOWN arrow keys to highlight selection. To select one company at a time, hold down the CTRL key and click the company name. (To de-select a company, click on its highlighted name). Click **OK**.

The Ratios History report will display historical data for the ratio you selected. To return to the Peer Analysis menu, click the **Peer Analysis** access button.

Working With Ratio Set Editor

Creating Ratio Sets
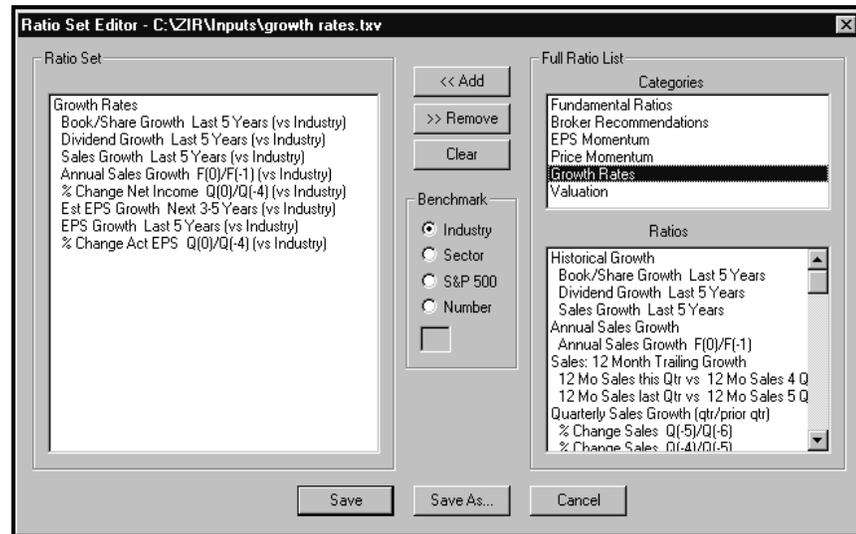
To create a new Ratio Set, open the Tools menu, select *Ratio Set Editor* command or click the **Ratios Editor** button The **Edit Ratio** dialog box will appear.

To create a new ratio set file, enter the ratio set name in the **File** name box. then click **Yes**.

A **Ratio Set Editor** dialog box will be displayed (the will be empty).

From the **Full Ratio List** section, select a category. A list of available ratios from that category will be display in the **Ratios** section.

Highlight a ratio from the Ratios list. Use the scroll bar to view all available ratios. (If this ratio set file will be used with the Company vs. Industry Analysis reports as well, select a specific benchmark for each ratio or the default benchmark will be *Industry*).

To add a selected ratio, click **<< Add**. The ratio will display in **the Ratio Set** section (ratios will be added to their corresponding categories). To delete all ratios, click **Clear**.

Be sure to save after completing ratio set.

Editing Ratio Sets
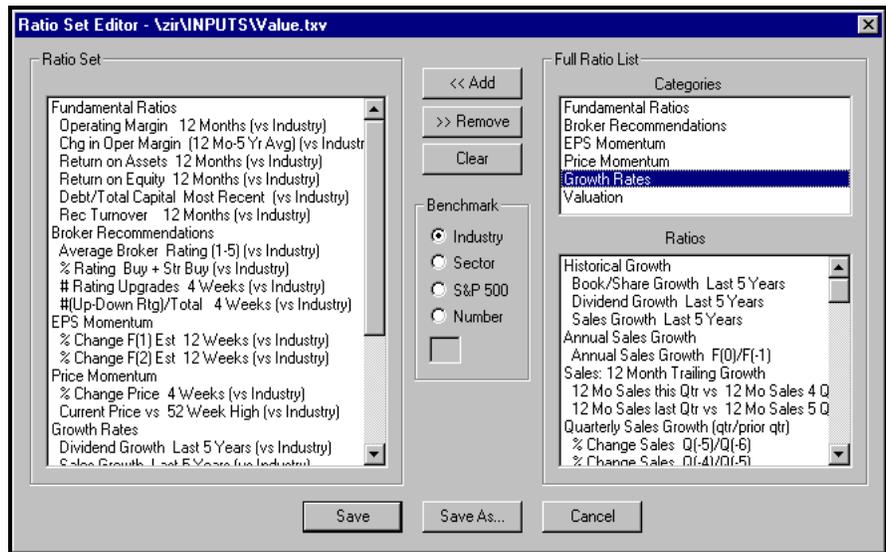
To edit a previously created Ratio Set, open the Tools menu, select *Ratio Set Editor* or click the **Ratios Editor** button The **Edit Ratio** dialog box appears, select a file then click **Open**.

A **Ratio Set Editor** dialog box will display

To remove a ratio from the list, highlight a ratio from the **Ratio Set** list then click the **>> Remove** button.

To add a new ratio to the Ratios Set, from the **Full Ratio** List section, select a category. A list of available ratios from that category will display in the Ratios section.

Highlight a ratio from the Ratios list. Use the scroll bar to view all available ratios.

To add a selected ratio, click **<< Add**. The ratio will be displayed in **the Ratio Set** section (ratios will be added to their corresponding categories). To delete all ratios, click **Clear**.

When the ratio set is complete, select the **Save As..** button to save the ratio set file under a new name; choose **Save** to overwrite the existing file.

Selecting Ratio Sets

The Select Ratio Set option allows you to specify a new default ratio set file (*.txv).

To select a new default ratio set open the Tools menu, click *Select Ratio Set*. The **Select Ratio Set** dialog box will appear. Select a new default Ratio Set file then click **Open**.

Internet-Based Reports

Using Internet-Based Reports

Before you display a report, select a company from the Company Ticker List. To display a report Select a company from the Tickers pull-down menu (located to the left of the **Get Report** button). Choose a report from the Internet Reports menu then click the **Get Report** button. ICA will launch your browser in a new window and the report will be displayed. To switch between your browser and ICA, click the ICA's button on the Windows taskbar.

Fundamental Reports

Income Statement, Balance Sheet, and Cash Flow tables

There are several Income Statement, Balance Sheet, and Cash Flow tables (presented annually for the last 5 years and quarterly for the last 8 quarters) available in this category of the Internet-Based reports.

Please note that the line items shown in these tables may not exactly match the line items on the 10-K and 10-Q reported by the company, as Zacks has standardized a number of items to facilitate comparison between companies.

The reports in this category include:

- Annual Cash Flow Statement - standardized report containing data from 10K filings.

- Annual Income Statement - standardized report containing information from 10K filings.

- Annual Balance Sheet - standardized report containing data from 10K filings.

- Quarterly Balance Sheet - standardized report containing data from 10Q filings.

- Quarterly Income Statement - standardized report containing data from 10Q filings.

- Annual Ratios & Turnover Rates - Assets/Liabilities ratios, turnover rates and sales ratios.

- Quarterly Ratios & Turnover Rates - Assets/Liabilities ratios, turnover rates and sales ratios.

Return on Equity Reports

There are two Return on Equity reports, presented annually for the last 5 years and quarterly for the last 8 quarters. These reports use the extended DuPont model (ROE Decomposition).

The ROE Decomposition model measures a company's profitability and helps to relate and interpret the financial ratios for asset management, debt management and profitability. It also calculates return on shareholder equity:

ROE = After Tax Profit Margin x Total Asset Turnover x Equity Multiplier

The reports in this category include:

- Annual Return on Equity - ROE Decomposition - 5 years.
- Quarterly Return on Equity - ROE Decomposition - 8 quarters.

Risk Rating/Bankruptcy Reports

In addition, we have included two Risk Rating/Bankruptcy reports, presented annually for the last 5 years and quarterly for the last 8 quarters. These reports show what the company would be worth upon liquidation. The Net Liquidation Value is the amount that could be realized by selling the assets of a firm after paying the debt.

The reports in this category include:

- Annual Risk Rating/Bankruptcy Report - displays annual growth rates and components of Net Liquidation Value.

- Quarterly Risk Rating/Bankruptcy Report - displays quarterly growth rates and components of Net Liquidation Value.

Business Description & Management Discussion Reports

Business Descriptions Reports

A complete overview of the business of the company from the last 10-K filings.

Management's Discussion and Analysis Reports

Management's Discussion and Analysis report (Management's Discussion and Analysis of Financial Condition and Results of Operations) is a report from management to the shareholders that accompanies the firm's financial statements in the annual report. This report explains the period's financial results and enables management to discuss other ideas that may not be apparent in the financial statements in the annual report.

Insider Trading Report

The most recent insider transactions, as reported to the SEC, are summarized here. Insiders include major corporate officers, members of the board of directors, and owners of 10% or more of any equity class of securities.

Brokerage Research Reports and Their Abstracts

Zacks summarizes the content of brokerage research reports made by the analysts following the company. These abstracts include the sell-side analysts recommendations and usually represent a 6-12 month outlook. This report also provides the analyst's Track Record.

Our report library contains data from over 300 U.S. and Canadian brokerage firms, providing research reports (and their abstracts) of more than 2,200 analysts covering 8,000+ companies.

Appendix

Company Overlays

Fundamental Overlays

EPS Surprises

Quarterly EPS Surprise - a measure of the deviation of Actual Quarterly EPS from Last Quarterly EPS Estimate, calculated as ([ACT EPSQ-LAST EPSQ0] / Absolute Value of LAST EPSQ0) x 100.

Positive surprises are represented by green arrows and negative surprises are represented by red arrows. The magnitude of the surprise is depicted in the number of dashes comprising the arrow (a surprise of 0% is shown as red and green triangles):

- Up to 10% Surprise - one arrow
- 10-20% Surprise - two arrows
- 20-30% Surprise - three arrows
- 30-40% Surprise - four arrows
- Above 50% Surprise - solid arrow line

Broker Recommendations

The average of analyst ratings for the company (Strong Buy = 1, Buy = 2, Hold = 3, Sell = 4, Strong Sell = 5). This overlays uses and inverted scale.

Quarterly EPS

Quarterly Actual Earnings per Share.

12 Month EPS

12 Month - Actual Earnings per Share.

Annual EPS

Annual Actual Earnings per Share.

Return on Equity

ROE calculated as (12 - Month EPS / Book Value per Share).

Return on Assets

ROA calculated as (12 - Month EPS / Total Assets per Share).

Quarterly Sales

Quarterly Net Sales or Revenues.

Annual Sales

Annual Net Sales or Revenues.

Quarterly EPS Trend

Actual and Consensus Estimate Quarterly Earnings per Share.

12 Month EPS Trend

12 Month - Actual and Consensus Estimate Earnings per Share.

Quarterly Net Income

Quarterly Net Income Data.

Annual Net Income

Annual Net Income Data.

Zacks Indicator

Zacks Indicator Equity selection model composite rank (1-99). The companies that appear most attractive for purchase are ranked 1 and companies with the worst predicted performance are ranked 99. Ranks between 20 and 80 are considered neutral and should be ignored; any changes in the score within this range should be ignored as well.

It is important to note that the Indicator is a relative ranking tool only. It is not an absolute valuation tool. The Indicator does not measure real or absolute value; instead, it predicts changes in relative market valuation.

This overlay uses an inverted scale.

Quarterly Operating Margin

The quarterly operating marginal percentage of gross sales less the cost of goods sold and selling, general and administrative (SG&A) expenses.

Annual Operating Margin

The annual operating marginal percentage of gross sales less the cost of goods sold and selling, general and administrative (SG&A) expenses.

Consensus Overlays

Consensus Overlays use mean EPS Estimate for the specified year based on Current and Next Fiscal Year analysts estimates.

Index Overlays

The following Index plot overlays were calculated by Zacks using a value of 100 at the beginning of the time series of returns for each Index. Index plot overlays include month-end data.

HFRI™ Indexes **- Hedge Fund Research Transparent Indices, © 1999 Hedge Fund Research, LLC.** "Using the detailed position data on investment managers, Hedge Fund Research, Inc. selects pure style managers for each index focusing on the defining characteristics of each strategy".

HFRI™ **Equity Hedge Index plot**. This Index tracks performances of those hedge funds, whose managers' investing style is purely Equity Hedge, i.e., "consists of a core holding of long equities hedged at all times with short sales of stocks and/or stock index options".

HFRI™ **Equity Market Neutral Index plot.** This Index tracks performances of those hedge funds, whose managers' investing style is purely Equity Market Neutral, i.e., "investing seeks to profit by exploiting pricing inefficiencies between related equity securities, neutralizing exposure to market risk by combining long and short positions".

HFRI™ **Event-Driven Index plot**. This Index tracks performances of those hedge funds, whose managers' investing style is purely Event-Driven ("corporate life cycle"), i.e., "involves investing in opportunities created by significant transactional events, such as spin-offs, mergers and acquisitions, bankruptcy reorganizations, re-capitalizations and share buybacks".

Lehman © Treasury Long Index plot. "The Lehman Treasury Long Index is a subgroup of the Shearson Lehman Treasury Index based on maturity. (The

Lehman Treasury Index consists of public obligations of the U.S. Treasury with a remaining maturity of one year or more)".

MSCI EAFE® Index plot - The Morgan Stanley Capital International Europe, Australasia, Far East Index. The MSCI EAFE® is a stock index designed to "measure the investment returns of the developed countries outside of North America".

Prudential © Style Indices **(Large Growth, Large Value, MidCap Growth, MidCap Value, Small Growth, Small Value**):

Large Cap: "The Prudential Large Cap Style Indices are selected from stocks in the top 12 percentiles of market capitalization in the Compustat universe.

Large-cap growth stocks have historical sales growth greater than 10%, rank in the top half of the I/B/E/S forecast growth rate, and have low payouts and debt/capital ratios.

Large-cap value stocks rank in the bottom 50% of the universe based on a normalized P/E. Additionally, companies that are dividend-paying must have sustainable dividend rates. Shares outstanding according to FactSet are used to determine market value".

Mid Cap: "The Prudential Mid Cap Style Indices are created by screening the eighth through twenty-fifth percentiles of market value in the Compustat universe for companies with growth or value characteristics".

Mid-cap growth stocks "have historical sales growth greater than 10%, rank in the top 50% of the I/B/E/S forecast growth rate, and have low payouts and debt/capital ratios".

Mid-cap value stocks "rank in the bottom 50% of the universe based on a normalized P/E. Additionally, companies that are dividend-paying must have sustainable dividend rates. Shares outstanding according to FactSet are used to determine market value".

Small Cap: "The Prudential Small Cap Style Indices are created by screening the twentieth through forty-fifth percentiles of market value in the Compustat universe for companies with growth or value characteristics".

Small-cap growth stocks "have historical sales growth greater than 10%, rank in the top half of the I/B/E/S forecast growth rate, and have low payouts and debt/capital ratios".

Small-cap value stocks "rank in the bottom 50% of the universe based on a normalized P/E. Additionally, companies that are dividend-paying must have sustainable dividend rates. Shares outstanding according to FactSet are used to determine market value".

Russell Indexes - Copyright © Frank Russell Company 1995 - 1999. All rights reserved.

Russell 1000® Index Total Return plot: The Russell 1000® Index "measures the performance of the 1,000 largest companies in the Russell 3000 Index, which represents approximately 89% of the total market capitalization of the Russell 3000 Index".

Russell 1000® Growth Index plot: The Russell 1000® Growth Index index "measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values".

Russell 1000® Value Index plot: The Russell 1000® Value Index "measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values".

Russell 2000® Small Stock Index Total Return: The Russell 2000® Index "measures the performance of the 2,000 smallest companies in the Russell 3000 Index, which represents approximately 11% of the total market capitalization of the Russell 3000 Index".

Russell 2000® Growth Index plot: The Russell 2000® Growth Index "measures the performance of those Russell 2000 companies with higher price-to-book ratios and higher   forecasted growth values".

Russell 2000® Value Index plot: The Russell 2000® Value Index "measures the performance of those Russell 2000 companies with lower price-to-book ratios and lower forecasted growth values".

Russell 2500™ Index Total Return plot: The Russell 2500™ Index "measures the performance of the 2,500 smallest companies in the Russell 3000 Index, which represents   approximately 22% of the total market capitalization of the Russell 3000 Index".

Russell 2500™ Growth Index plot: The Russell 2500™ Growth Index "measures the performance of those Russell 2500 companies with higher price-to-book ratios and higher   forecasted growth values".

Russell 2500™ Value Index plot: The Russell 2500™ Value Index "measures the performance of those Russell 2500 companies with lower price-to-book ratios and lower   forecasted growth values".

Russell 3000® Index plot: The Russell 3000® Index "measures the performance of the 3,000 largest US companies based on total market capitalization, which   represents approximately 98% of the investable US equity market".

Russell 3000® Growth Index plot: The Russell 3000® Growth Index "measures the performance of those Russell 3000 Index companies with higher price-to-book ratios and higher forecasted growth values. The stocks in this index are also members of either the Russell 1000 Growth or the Russell 2000 Growth indexes".

Russell 3000® Value Index plot: The Russell 3000® Value Index "measures the performance of those Russell 3000 Index companies with lower price-to-book ratios and lower forecasted growth values. The stocks in this index are also members of either the Russell 1000 Value or the Russell 2000 Value indexes".

Russell MidCap™ Index Total Return plot: The Russell Midcap™ Index "measures the performance of the 800 smallest companies in the Russell 1000 Index, which represent approximately 35% of the total market capitalization of the Russell 1000 Index".

Russell Midcap™ Growth Index plot: The Russell Midcap™ Growth Index "measures the performance of those Russell Midcap companies with higher price-to-book ratios and   higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index".

Russell Midcap™ Value Index plot: The Russell Midcap™ Value Index "measures the performance of those Russell Midcap companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index".

Russell Top 200™ Index Total Return plot: The Russell Top 200™ Index "measures the performance of the 200 largest companies in the Russell 1000 Index, which represents approximately 65% of the total market capitalization of the Russell 1000 Index".

Russell Top 200™ Growth Index plot: The Russell Top 200™ Growth Index "measures the performance of those Russell Top 200 companies with higher price-to-book ratios and higher forecasted growth values. The stocks are also members of the Russell 1000 Growth index".

Russell Top 200™ Value Index plot: Russell Top 200™ Value Index "measures the performance of those Russell Top 200 companies with lower price-to-book ratios and lower forecasted growth values. The stocks are also members of the Russell 1000 Value index".

Standard & Poor's Indices - Copyright © 1999. The McGraw-Hill Companies, Inc.

S&P 100 Index plot: The S&P 100 Index "measures large company U.S. stock market performance. This market capitaliztion-weighted index is made up of 100 major, blue chip stocks across diverse industry groups".

S&P 1500 Index plot: The S&P 1500 Index, also known as the S&P SuperComposite 1500, is a combination of the S&P 500, MidCap 400, and SmallCap 600 Indices. The S&P SuperComposite 1500 "represents 87% of the total U.S. equity market capitalization".

S&P MidCap 400 Index plot: The S&P MidCap 400 Index "measures the performance of the mid-size company segment of the U.S. market".

S&P SmallCap 600 Index plot: The S&P SmallCap 600 Index "measures the performance of the small-size company segment of the U.S. market".

S&P 500 Total Return plot: The S&P 500 Index is "widely regarded as the standard for measuring large-cap U.S. stock market performance". This index includes a "representative sample of leading companies in leading industries".

S&P500/BARRA Growth and Value Indices: "Companies in the S&P 500 index are split into two groups based on price-to-book ratio to create growth and value indices. The Value index contains companies with lower price-to-book ratios, while the Growth index contains those with higher ratios".

S&P 500/BARRA Growth Index plot: a subset of the S&P 500 companies with higher price-to-book ratios.

S&P 500/BARRA Value Index plot: a subset of the S&P 500 companies with lower price-to-book ratios.

Wilshire Indices - © 1999, Wilshire Associates, Incorporated.

Wilshire 5000 Value-Weighted Total Perf Index plot: The Wilshire 5000 Equity Index "measures the performance of all U.S. headquartered equity securities with readily available price data. Over 7,000 capitalization weighted security returns are used to adjust the index. The Wilshire 5000 capitalization is about 81% NYSE, 2% AMEX, and 17% OTC".

The Wilshire 5000 Value-Weighted Total Perf Index is a total return of index using capital weights.

Wilshire 4500 Equity Index plot: The Wilshire 4500 Equity Index "is the Wilshire 5000 securities with the companies in the Standard & Poor's 500

Index removed. The approximately 6,500 capitalization weighted returns provide an excellent benchmark for "extended" fund managers".

Wilshire REIT Index plot: The Wilshire REIT Index includes Total Returns for the Wilshire Real Estate Securities sub-index, the REIT Index, which represents U.S. publicly traded Real Estate Investment Trusts.

Wilshire Style Indexes: "Wilshire Asset Management's indices are derived from the largest 2500 securities, the Top 2500, of the Wilshire 5000 Equity Stock index".

The Large Company Universe: "The large company universe, the Top 750, consists of the largest 750 companies in the Wilshire 5000 and extends down to approximately the $1.8 billion market capitalization level".

The Small Company Universe: "The small company universe, the Next 1750, consists of the remaining securities in the Top 2500, and extends down to approximately the $244 million market capitalization level".

Creating the Individual Indexes: "By screening each universe quarterly for all companies which embody the characteristics of each style, Wilshire creates its Style Indexes", three of which are included as overlays in ICA: **Large Cap Growth Index plot, Large Cap Value Index plot, and Small Cap Value Index plot**.

Key Variables: "Key variables used by the value index include price/earnings ratio, price-to-book, and yield. Variables employed for the growth index screenings include sales growth, return on equity, and dividend payout".

Zacks Chart Definitions

Price & Surprise

This chart shows whether the stock price responds to EPS surprises.

Relative Price & Surprise

This chart overlays EPS Surprises with the stock price relative to S&P 500. The chart shows whether the stock price responds to EPS surprises. An upward sloping relative to S&P 500 price line indicates that stock is outperforming the market, whereas the downward sloping line indicates that the stock is under-performing the market.

Broker Recommendations

This chart shows whether the stock price responds to changes in broker recommendations.

Price & Consensus

This chart shows whether the stock price responds to changes in consensus estimates for the fiscal year.

Relative Price & Consensus

This chart overlays Consensus estimates with the stock price relative to S&P 500. The chart shows whether the stock price responds to changes in consensus estimates for the fiscal year. An upward sloping relative to S&P 500 price line indicates that stock is outperforming the market, whereas the downward sloping line indicates that the stock is under-performing the market.

Indicator & Relative Price

The Zacks Indicator is the estimate revision and earnings surprise model that predicts the direction and magnitude changes in stock prices.

How the Indicator Ranks are Derived

Estimate revision activity and earnings surprises are measured for all companies and a raw score is created. Companies are then ranked relative to one another on a scale from 1 to 99 to create a composite. Indicator ranks less than or equal to 20 are bullish, Indicator ranks greater than or equal to 80 are bearish, and all other Indicator ranks should be considered neutral and ignored.

The Indicator & Relative Price chart overlays Indicator composite rank with the stock price relative to S&P 500. An upward sloping relative price line indicates that the stock is outperforming the market, whereas the downward sloping line indicates that the stock is under-performing the market.

12 Month EPS

This chart shows whether the stock price responds to changes in Actual and Consensus 12 Month EPS.

Performance Relative to M Industry

This chart shows the stock price performance versus relevant Zacks M Industry median price index.

Performance Relative to X Industry

This chart shows the stock price performance versus relevant Zacks X Industry median price index.

Performance Relative to Sector

This chart shows the stock price performance versus relevant Zacks Sector median price index.

Performance Relative to DJIA

This chart shows the stock price performance versus the Dow Jones Industrial Average.

Performance Relative to Russell 2000

This chart shows the stock price performance versus the Russell 2000 Index.

Performance Relative to S&P 100

This chart shows the stock price performance versus the S&P 100 Index.

Performance Relative to S&P 400

This chart shows the stock price performance versus the S&P MidCap 400 Index.

Performance Relative to S&P 500

This chart shows the stock price performance versus the S&P 500 Index.

Performance Relative to S&P 600

This chart shows the stock price performance versus the S&P SmallCap 600 Index.

Performance Relative to Wilshire 5000

This chart shows the stock price performance versus the Wilshire 5000 Index.

Performance Relative to NASDAQ

This chart shows the stock price performance versus the NASDAQ composite.

Zacks Sector and Industry Designations

The following is a list of Zacks X (Expanded) Industries, Zacks Sectors, and Zacks M (Medium) Industries designations.

Zacks X (Expanded) Sector Groups

0	Indices	9	Conglomerates
1	Consumer Staples	10	Computer and Technology
2	Consumer Discretionary	11	Aerospace
3	Retail-Wholesale	12	Oils-Energy
4	Medical	13	Finance
5	Auto-Tires-Trucks	14	Utilities
6	Basic Materials	15	Transportation
7	Industrial Products	16	Business Services
8	Construction	17	Unclassified

Zacks M (Medium) Industry Groups

0	INDICES	31	COMPUTER-OFFICE EQUIPMENT
1	APPAREL	32	COMPUTER SOFTWARE-SERVICES
2	BEVERAGES	33	ELECTRONIC-SEMICONDUCTORS
3	FOOD	34	ELECTRONICS
4	PUBLISHING	35	MISC TECHNOLOGY
5	SOAPS-COSMETICS	36	TELECOMMUNICATIONS EQUIPMENT
6	TOBACCO	37	TELECOMMUNICATIONS SERVICES
7	CONS PROD-MISC STAPLES	38	AEROSPACE-DEFENSE
8	HOME FURNISHING-APPLIANCE	39	COAL
9	LEISURE SERVICE	40	ENERGY-ALTERNATE SOURCES
10	MEDIA	41	OIL MACHINERY-SERVICES-DRILLING
11	PHOTO EQUIPMENT & SUPPLIES	42	OIL-EXPLORATION&PRODUCTION
12	OTHER CONSUMER DISCRETIONARY	43	OIL-MISC
13	FOOD/DRUG-RETAIL/WHOLESALE	44	OIL-INTEGRATED
14	NONFOOD RETAIL-WHOLESALE	45	OIL&GAS PRODUCTION-PIPELINE
15	DRUGS	46	BANKS-MAJOR
16	MEDICAL CARE	47	BANKS & THRIFTS
17	MEDICAL PRODUCTS	48	FINANCE
18	AUTOS-TIRES-TRUCKS	49	INSURANCE
19	CHEMICALS & FERTILIZER	50	INVEST BKRS-MGRS
20	METALS-NON FERROUS	51	INVESTMENT FUND
21	STEEL	52	REAL ESTATE
22	PAPER	53	UTILITY-ELEC PWR
23	CONTAINERS & GLASS	54	UTILITY-GAS DISTR
24	INDUSTRIAL PRODUCTS-SERVICES	55	UTILITY-TELEPHONE
25	MACHINERY-ELECTRICAL	56	UTILITY-WATER SUPPLY
26	MACHINERY	57	TRANSPORTATION-AIR
27	POLLUTION CONTROL	58	TRANSPORTATION
28	BUILDING PRODUCTS	59	BUSINESS SERVICE
29	CONSTRUCTION-BUILDING SERVICES	70	UNCLASSIFIED

Zacks X (Expanded) Industry Groups

1	ADVERTISING	55	ELEC-MILITARY	109	MED-HOSPITALS	163	RETAIL-MAIL ORD
2	AEROSP/DEFENSE	56	ENERGY-ALT SRCS	110	MED-NURSING HMS	164	RETAIL-MJR DEPT
3	AEROSP/DEF EQ	57	ENGINRG/R&D SVS	111	MED-OUTP/HM CRE	165	RETAIL-MISC/DIV
4	AGRI OPERATIONS	58	ENGINES-INT CMB	112	MED-WHSL DRG/SN	166	RETAIL-RGN DEPT
5	APPLIANCE-HSHLD	59	FERTILIZERS	113	MED/DENTAL-SUPP	167	RETAIL-SUPERMKT
6	AUDIO/VIDEO PRD	60	FIBER OPTICS	114	MINING -GOLD	168	RETAIL-VENDING
7	AUTO -DOMESTIC	61	FIN-CONS LOANS	115	MINING -IRON	169	RETAIL/WHSL CMP
8	AUTO -FOREIGN	62	FIN-INVEST BKRS	116	MINING -MISC	170	RUBBER&PLASTICS
9	RET/WHL-AUTO PT	63	FIN-INVEST MGMT	117	MINING -NON FERR	171	RUBBER-TIRES
10	AUTO/TRUCK-ORIG	64	FIN-LEASING COS	118	MINING -SILVER	172	SCHOOLS
11	AUTO/TRUCK-REPL	65	FIN-MTG&REL SVS	119	METAL PROC&FABR	173	SHOES&REL APPRL
12	BANKS-FOREIGN	66	FIN-INVEST FUND	120	METAL PRD-DISTR	174	SOAP&CLNG PREPS
13	BANKS-MIDWEST	67	FIN-SVGS & LOAN	121	METAL PRD-FSTRS	175	STEEL-PIPE&TUBE
14	BANKS-MONEY CTR	68	FIN-SBIC&COMMRL	122	MOVIE/TV PROD/DISTR	176	STEEL-PRODUCERS
15	BANKS-NORTHEAST	69	FIN-MISC SVCS	123	CON PRD-MISC DISCR	177	STEEL-SPECIALTY
16	BANKS-SOUTHEAST	70	FOOD ITEMS-WHLE	124	OFFICE AUTO&EQP	178	TELECOMM SVCS
17	BANKS-SOUTHWEST	71	FOOD-CANNED	125	OFFICE SPPL&FRM	179	TELECOMM EQUIP
18	BANKS-WEST	72	FOOD-CONFECTNRY	126	OIL-US RYLTY TR	180	TEXTILE-APPAREL
19	BEVERAGES-ALCOH	73	FOOD-DAIRY PRDS	127	OIL FLD MCH&EQP	181	TEXTILE-HME FRN
20	BEVERAGES-SOFT	74	FOOD-FLOUR&GRN	128	OIL REFING&MKTG	182	TEXTILE-PRDUCTS
21	BLDG&CONST-MISC	75	FOOD-MEAT PRODS	129	OIL-C$ EXP&PROD	183	TOBACCO
22	BLDG PRD-AIR/HT	76	FOOD-MISC/DIVERS	130	OIL-C$ INTEGRTD	184	TOOLS-HAND HELD
23	BLDG PRD-DRS&TR	77	FOOD-SUGAR&REFG	131	OIL-FIELD SVCS	185	TOYS/GAME/HOBBY
24	BLDG PRD-LTG FX	78	FUNERAL SVS&REL	132	OIL-INTL INTGD	186	TRANS-AIR FRGHT
25	BLDG PRD-RT/WHL	79	FURNITURE	133	OIL-INTL SPCLTY	187	TRANS-AIRLINE
26	BLDG PRD-WOOD	80	GLASS PRODUCTS	134	OIL&GAS-DRILL	188	TRANS-EQP&LSNG
27	BLDG-CMT/CNT/AG	81	HOTELS & MOTELS	135	OIL-PROD/PIPELN	189	TRANS-RAIL
28	BLDG-HEAVY CNST	82	INDL AUTO/RBTCS	136	OIL-US EXP&PROD	190	TRANS-SHIP
29	BLDG-MAINT & SV	83	INSTRU-CONTROL	137	OIL-US INTEGRTD	191	TRANS-SERVICES
30	BLDG-MBL/MFG&RV	84	INSTRU-SCIENTFC	138	COMP-OPTICL REC	192	TRANS-TRUCK
31	BLDG-RSDNT/COMR	85	INS-ACC & HLTH	139	PAINTS&REL PRDS	193	UTIL-ELEC PWR
32	BRDCST-RADIO/TV	86	INS-BROKERS	140	PAPER &REL PRDS	194	UTIL-GAS DISTR
33	CABLE TV	87	INS-LIFE	141	PAPER-BUS FORMS	195	UTIL-TELEPHONE
34	CHEM-DIVERSIFD	88	INS-MULTI LINE	142	PHOTO EQP &SUPP	196	UTIL-WATER SPLY
35	CHEM-FIBERS	89	INS-PROP&CASLTY	143	POLLUTION CNTRL	197	WIRE&CABLE PRDS
36	CHEM-PLASTICS	90	LASERS-SYS/COMP	144	PREC MTLS/JWLRY	198	COMP-NETWORKS
37	CHEM-SPECIALTY	91	LEISURE&REC PRD	145	PRINTING-COMMRL	199	COMP-MINI
38	COAL	92	LEISURE&REC SVS	146	PROTECTION-SFTY	200	LEISURE&REC/GMG
39	COMP-GRAPHICS	93	LINEN SPLY &REL	147	PUBLSHG-BOOKS	201	TELECOMMCTNS-WIRELESS
40	COMP-MAINFRAME	94	MACH TLS&RL PRD	148	PUBLSHG-NEWSPRS	202	COMP-STORAGE DEV
41	COMP-MICRO	95	MACH-CONST/MNG	149	PUBLSHG-PRDCALS	203	COMP-INTEGT SYS
42	COMP-PERIPH EQP	96	MACH-ELEC UTILS	150	REIT-EQTY TRUST	204	BANKS-MAJOR REGIONAL
43	COMP-SERVICES	97	MACH-ELECTRICAL	151	REIT-MTGE TRUST	205	BUS SVCS
44	COMP-SOFTWARE	98	MACH-FARM	152	REAL ESTATE DEV	206	BUS INFO SVCS
45	CONTNRS-MTL/GLS	99	MACH-GENL INDL	153	REAL ESTATE OPS	207	CON PRD-MISC STAPLES
46	CONTNRS-PPR/PLS	100	MACH-MATL HDLG	154	RETAIL-APP/SHOE	208	MEDIA CONGLOMERATES
47	COSMETICS&TLTRS	101	MACH-PRINT TRAD	155	RETAIL-CATLG SH	209	ELEC-MFG MACHINERY
48	DIVERSIFIED OPS	102	MACH-THRML PROC	156	RETAIL-CONS ELC	210	RET/WHLSL AUTO/TRUCK
49	ELEC COMP-SEMIC	103	MED INSTRUMENTS	157	RETAIL-CNV STRS	211	ELECTRONIC COMMERCE
50	ELEC-MISC COMPN	104	MED PRODUCTS	158	RETAIL-DISCOUNT	212	INTERNET CONTENT
51	ELEC MSRNG INST	105	MED-BIOMED/GENE	159	RETAIL-DRUG STR	213	INTERNET SERVICES
52	ELEC PRODS-MISC	106	MED-DRUGS	160	RETAIL-RESTRNTS	214	INTERNET SOFTWARE
53	ELEC-CONNECTORS	107	MED-GENERIC DRG	161	RETAIL-HOME FRN	400	INDICES
54	ELEC PARTS DIST	108	MED-HMO	162	RETAIL-JEWELRY	500	UNCLASSIFIED

Estimates Report Methodology

How WIN% is calculated

The analyst's *WIN%* is calculated by dividing the number of Wins by the number of buy and sell ratings issued for the last five years:

Win % = $\dfrac{\text{Total Number of Wins}}{\text{Total Number of Recommendations}}$

A "Win" is awarded if (1) a stock for which the analysts issued a buy rating outperformed the equal weighted industry index during the period that the stock was rated a buy or, (2) a stock for which the analyst issued a sell rating under-performed the equal weighted industry index during the period where a sell recommendation stood. In both cases, the performance of the stock and the index include appreciation (depreciation) and dividends.

Example: Win% Calculation

Industry	Analyst	Stock/Count	Return/Count	Index	Win	%
Autos	**A**	Ford	5	7	0	
		Ford	3	2	1	
		Ford	4	1	1	
		DaimlerChrysler	3	5	0	
		DaimlerChrysler	11	4	1	
Average		**2**	**5**		**3**	**60**
	B	GM	8	9	0	
		DaimlerChrysler	3	2	1	
		Ford	2	4	0	
Average		**3**	**3**		**1**	**33**

Individual **Wins** are calculated as follows:

1. Within a given industry, calculate the **Holding Period Return** for each stock (**HPRs**) for which the analyst has issued a buy or sell rating:

    For buy ratings: $\text{HPRs} = \dfrac{P_2 - P_1 + D}{P_1}$

    For sell ratings: $\text{HPRs} = \dfrac{P_1 - P_2 - D}{P_1}$

    where:

    P_1 = Closing Price on day bay/sell was issued by the analyst.

    P_2 = Closing Price on day buy/sell was removed by the analyst.*

    D = Dividends, if any.

    * If the rating is in effect at the end of the measurement period, P_2 is the closing price on the last day of the measurement period.

2. Calculate the **Equal Weighted Holding Period Return** for the industry (**HPRi**) including dividends, assuming a long position for an identical holding period as that used in the HPRs calculation for each recommendation.

3. Count a Win each time HPRs is greater the HPRi. Wins are expressed as a percentage of the total number of recommendations.

Recommendations used in Calculating Win%:

Zacks standardizes recommendations using a 1 to 5 scale where: 1 = Strong Buy; 2 = Buy; 3 = Hold; 4 = Sell; 5 = Strong Sell. If an analyst issues separate ratings for the same stock over different investment periods, Zacks uses the rating for the near term period.

When evaluating the performance of buy recommendations, if a rating is downgraded from either a 1 (Strong Buy) or a 2 (Buy) to a 3 (Hold), the stock is "sold" and the performance period for the buy is terminated. Zacks uses the same convention when evaluating sell recommendations: if a rating is changed from a 4 (Sell) or 5 (Strong Sell) to a 3 (Hold), the observation period is closed.

Average Buy Return Calculations:

The average of all un-annualized returns calculated for the holding periods of any and all of the analyst's buy recommendations during the period. Sell ratings are ignored when calculating returns since most institutional money managers are restricted from selling short.

The **Return** is calculated as follows:

<u>**The Sum of the HPRs for Analyst Buy Recommendations**</u>
Number of Buy Ratings Issued by the Analyst

Industry Return: The average of the equal weighted industry returns calculated for each of the holding periods during which a buy rating was is effect.

Excess Return: An approximation of a "wealth index," Excess Return reflects the difference between the average return calculated for the analyst's buy recommendations and the average returns of the equal weighted industry index for the period during which the recommendations were in effect. This measure is only calculated on the analyst's buy ratings. In the case of ties, Excess Return is used as a secondary basis for the ranking.

Excess Return evaluates what an investor's profit could have been, if he or she had diligently acted upon the analyst's buy recommendations.

Technical Support

Zacks Technical Support is available 7 a.m. to 5 p.m. Central Time, Monday through Friday (excluding market holidays). You can reach Zacks Technical Support at:

Phone: 800.767.3771, Select option 9

Fax: 312.630.9898

Internet E-mail: ZRShelp@zacks.com

Please provide a detailed description of the problem(s) you encountered, in which wizard/module, when they occurred, and any error messages you received.

For more information about Zacks Investment Research, visit our Web Site at http://zrs.zacks.com.

Glossary of Terms

Active Ticker

A ticker currently displayed in the Tickers pull-down menu.

Annual Analyst

The difference between the actual EPS and the analyst's EPS estimate averaged over 12 month ends.

Annual Consensus

The difference between consensus estimate and actual EPS averaged over 12-month ends.

Cache

A temporary storage place on the hard drive for recently accessed data.

Chart Definitions

User-defined combinations of price charts and overlays.

Consensus

An average of all analyst estimates or recommendations (or a specific set of analyst forecasts or recommendations as noted).

Default Browser

A user-preferred browser that is identified in the Windows Operating System as the one to use for surfing the Net.

Delimited Text File Type

Separated by tab characters, commas, or spaces.

Most Accurate EPS Consensus

The most accurate EPS consensus (displayed in red) is computed by ranking the analysts historical performance. The bottom third of analysts with the lowest historical performance are not used. The most accurate EPS consensus is the average of the top quartile of the analysts making forecasts, for whom we have history, that did not rank in the bottom third historically.

Most Accurate Recommendations

The ranking criteria for historical ratings accuracy is Win%. A Win is recorded for each analyst's recommendation that beat the performance of an equal weighted industry index for all buy and sell ratings. Ties are broken by measuring how much the average buy recommendation was in excess of the average industry performance. The final results are expressed in terms of Strong Buy, Buy, Hold, Sell, Strong Sell.

Overlays

Special fundamental data charts that are added to the standard price and volume charts. Overlays will show how sensitive a stock is to any factor you choose.

Quarterly Analyst

The difference between the actual EPS and the analyst's EPS estimate at the end of quarter.

Ratio Category

ICA uses fundamental data divided into six ratio categories: EPS Momentum, Fundamental Ratios, Broker Recommendations, Growth Rates, Valuation, and Price Momentum.

Ratio Set

A special file created using Ratios Set Editor in ICA. This file contains custom set of fundamental ratios. By default, ICA uses Value.txv ratio set.

Taskbar

The taskbar is the bar on your desktop that has the Start button on it. Buttons representing programs currently running on your computer appear on this bar.

Ticker List

File that contains ticker symbols. Ticker lists are in a tab delimited format with the extension *.txt. By default, ICA uses Myportf.txt Ticker List.

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