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Zacks Ranks Top Stock Portfolios of 2009

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CHICAGO - (Business Wire) Even though the stock market made a remarkable comeback from March lows in the last 9 months of last year, market conditions remained challenging. But, the latest rankings of model portfolios of some top brokerages shows it turned out to really be a year for stock pickers. Despite a rising tide lifting all boats in 2009, the data reflects that, those who over weighted in key sectors, well outperformed the overall averages for the year.

"Finance soared in the first half of the year while technology and even retail picked up the pace in the second half, despite the consumer being declared dead," says Zacks.com analyst, Tracey Ryniec. "Companies in those sectors sold off hard into the March bottom, which created opportunities for those who believed that many well-run companies weren't going away anytime soon and stayed with their convictions."

Ten out of thirteen model portfolios ranked by Zacks outperformed the S&P 500, which gained 26.46% on the year, some by wide margins. All portfolios ranked posted solidly positive year end returns. The top ranked model portfolio for the year was that of McAdams Wright, who moved up from second place at mid-year. **Second and third place were taken by New Constructs** and Morgan Keegan respectively. They also both moved up one from their mid-year rankings. Still in the top five were Goldman Sachs and Citigroup Global Markets. Goldman moved up two places from mid-year 2009.

The top 13 ranked brokerages for Year-End 2009 (12-31-08 to 12-31-09) are as follows...

In the 5 year category, Morgan Keegan ranked first, followed by Goldman Sachs and Citigroup Global Markets in second and third place respectively. All with market beating double digit gains.

The leading brokerage firms employ analysts who produce recommendations for hundreds of stocks, which can not all be bought for a client portfolio. These brokerage firms then create model portfolios from all of the stocks each firm is following. These can be used as a starting point in the stock selection process to meet a specific client's risk & return needs. The process to create these lists range from a bottom up quantitative methodology, to a top down fundamental process. The model portfolios in the Zacks survey include U.S. traded equities including ADRs.

Zacks complete one-, three-, five- and seven-year rankings are available to the media upon request. Zacks calculates the performance of the brokerage "model portfolios" it tracks, on an equal-weighted basis. Total return performance figures include stock price changes, dividends and hypothetical trading commissions of 1% for each addition and deletion to the model portfolios.

The S&P 500 Index is a well-known, unmanaged index of the prices of 500 large-company common stocks, mainly blue-chip stocks, selected by Standard & Poor's. The S&P 500 Index assumes reinvestment of dividends but does not reflect advisory fees. An investor cannot invest directly in an index.

Zacks Investment Research, Inc., developed the concept of the EPS Surprise and created the first quantitative model to predict stock prices based on patterns, estimate revisions and surprises, called the Zacks Rank. Zacks Investment Research does not engage in investment banking, market making or asset management activities of any securities.

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