

For Immediate Release

Zacks 2014 Model Portfolio Rankings Tell an Interesting Story

Chicago, IL- February 4, 2015- Saying that 2014 was a very mixed market year, is an understatement. Accelerated volatility in the last quarter, concerns over global economic growth, geopolitical tensions and falling oil prices kept investors edgy. Of all these issues, one would have thought that the main story of 2014 was the decline in oil prices and the subsequent sell off in the energy stocks. But some of the brokerage's model stock portfolios, ranked by Chicago based Zacks Investment Research, told a different story.

"When I began reviewing the broker's holdings, I expected to see those that had small positions in energy at the top of the rankings and those with large positions at the bottom. But, in fact, that's not what happened," says Zacks Value Equity Strategist, Tracey Ryniec. "The top ranked firms still had large positions in energy. So how did they beat the S&P 500 for the year and outperform? 2014 was a stock pickers market. In prior years, investors had to simply pick the "right" sector and they could outperform. For instance, those who were in the consumer discretionary sector in 2013 were rewarded. But 2014 wasn't about a "good" or a "bad" sector as much as picking the right companies to be in."

The two top model portfolios ranked by Zacks, outperformed the S&P 500 total return for the year of 13.69%, by a fairly wide margin. The third highest ranked portfolio was not far behind though. "While the top ranked firms were in energy, they counter balanced the decline in those stocks with top hot stocks in healthcare and consumer-oriented stocks like airlines and restaurants. Many stocks in those industries did well last year."

The brokerages ranked for the full year 2014 (1-1-14 through 12-31-14) are as follows...

Rank	Brokerage Firm	Total Return
1.	Morgan Stanley Wealth Management	16.81%
2.	Credit Suisse	15.05%
3.	Tigress Financial	14.83%
4.	Bank of America Merrill Lynch	12.36%
5.	Goldman Sachs	9.94%
6.	RBC Capital Markets	4.71%
7.	Wedbush Securities	-3.65%

"As we begin 2015 amid continued market volatility and headwinds, the market has extended its skitishness" Ryniec says. "That said, I think picking the right stocks to be in this year will be even more important."

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 calculates the performance of the brokerage "model portfolios" it tracks, on an equal-weighted basis. Total return performance figures include stock price changes, and dividends for each addition and deletion to the model portfolios. Commissions are not included.

The leading brokerage firms employ analysts who produce recommendations for hundreds of stocks, which cannot all be bought for a client portfolio. These brokerage firms then create model portfolios from all of the stocks each firm is following. The process to create these lists range from a top down quantitative methodology, to a bottom up fundamental process.

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