

# The Master Stock Pickers: Their Profiles and Their Picks

Here are the top five stock pickers in each industry, ranked on their recommendation-performance scores for 2009, with links to their profiles or questionnaires touching on their best and worst picks last year as well as their views for the future.

Performance scores were calculated based on estimated total return, including price changes and dividends, of each eligible stock an analyst covered in an industry, as well as the number of stocks the analyst covered within that industry. Analysts got credit for being right about buy and sell recommendations. For a stock rated a buy, a positive total return yielded a positive score, but a negative return produced a negative score. Similarly, for a stock rated sell, a negative total return yielded a positive score while a positive return resulted in a negative score.

The firm listed for each analyst is the one at which the analyst worked the longest during 2009 and the one that gets the credit for his or her achievement. Some analysts may have left these firms. An asterisk indicates an analyst who is in the top five in more than one industry.

<b>Broadcasting &amp; Entertainment</b>			
34 Analysts, Median Score = 36.83			
Erik B. Kolb	3	Standard & Poor's	151.43
John Janedis		Wells Fargo Securities	116.33
<b>James C. Goss</b>	<b>3</b>	<b>Barrington Research</b>	<b>81.77</b>
David Bank		RBC Capital Markets	70.53
Matthew Harrigan	3	Wunderlich Securities	67.9
* - "3" indicates three-time winner.			

**Methodology:** Best on the Street Analysts Survey 2010 This methodology for The Wall Street Journal's annual Best on the Street Analysts Survey was used to identify the top analysts of 2009. FactSet Research Systems Inc. collected the data.

This year's survey focuses on 44 industries thought to be of particular interest to investors. Within each industry, the survey seeks to identify the top five analysts. The measure used is stock-picking skill.

**Analyst Eligibility** This year's Best on the Street analysts were selected from a universe of more than 7,500 analysts at more than 530 firms. Of that group, 2,059 analysts at 183 firms met the survey's eligibility tests and qualified to have their research analyzed in detail.

**Performance Measurement** Analysts' skill in picking stocks was measured using recommendation-performance scores calculated by FactSet Research Systems on the basis of the estimated total return, including price changes and dividends, of each eligible stock an analyst covered in an industry.

Analysts also got credit for being right about sell recommendations. For a stock rated sell, the return was multiplied by negative 1. If a stock fell, the negative total return multiplied by the negative weighting produced a positive performance score for the analyst; but if the stock rose, the negative weighting would yield a negative score for the analyst. The final performance score also reflects such factors as the number of stocks in an analyst's "portfolio" and the timing of recommendation changes.

## **Broadcast & Entertainment**

### *James C. Goss*

---

**Age:** 62

**Firm:** Barrington Research in Chicago

**Industries covered:** Media and entertainment, including film, television and cable programming, systems and networks; satellite radio; outdoor advertising and digital signage; publishing, and digital media

***What was your best call during 2009 and why?***

Outperform rating (buy) on Sirius XM Radio. This call probably took the most nerve, because the stock was abandoned by many analysts when the share price deteriorated as the risk of bankruptcy heightened. Once that risk was averted with the help of John Malone [whose Liberty Media bought a stake in the company], my attention turned to the potential for fundamental improvement to be realized including merger synergies and improving finances. The stock closed the year at 60 cents, up substantially from the 35 cents at which I reinstated an outperform rating on June 23 with a target price of 70 cents. I have maintained my outperform rating and the stock continued to rise, nearly doubling again before a recent slide. I think there is some upside from current levels.

***What was your worst call during 2009 and why?***

Market-perform rating on Gannett. After deteriorating fundamentals in Gannett's largest business line for several years, there was an opportunity to take a reasoned chance on the stock of a company that has generally demonstrated an ability to deal with challenges. The publishing business is not yet out of the woods, though eReaders and the iPad provide a potential opportunity to transition to a new and viable business opportunity. Through it all, Gannett management has focused on controlling costs, leveraging content over multiple platforms (local, national, print, broadcast and Internet), while also taking advantage of continuing opportunities in broadcasting and developing new opportunities in the digital arena, including CareerBuilder, PointRoll, Captivate and others. While I remained confident that Gannett would survive the sizable challenges, it was still tough to pull the trigger, even when the stock fell to fire sale price levels. This was one that got away, in terms of the 2009 opportunity, as an upgrade at various levels would have been very rewarding. [Gannett, which is in the advertising and publishing sector for this survey, rose 86% in 2009.]

***What stock or market trend intrigues you the most now and why?***

I continue to feel content has substantial value. The increasing number of options in securing access to content provides a big opportunity to the creators of such content, while also creating challenges as delivery systems multiply and/or transition, and piracy threats continue. Streaming and downloading, sometimes involving cloud computing, are joining physical media and cable or satellite television as means of accessing theatrical and television content. Even successful franchises like Hulu are adjusting to capture reasonable returns, and new deals are being struck all the time involving players like Netflix, Redbox, Roxio CinemaNow, DivX and others involved in various parts of this supply chain. TV Anywhere is an attempt to maintain some semblance of control while extending the value of a programming subscription beyond a user's home market. Within this turmoil, movie theatre attendance has sustained itself nicely, and the advent of digital and 3D, plus the reorientation and expansion of IMAX, has created new excitement and a significant pricing and revenue opportunity, especially for first-run blockbuster films both domestically and abroad. Consequently, we recently added the film exhibition industry to our formal coverage.

***What would you be doing if you weren't an analyst?***

Originally, my undergraduate degree in mathematics appeared to be pointing me toward being a college professor. I changed course with an M.B.A. and discovered the opportunity to use quantitative skills and much more in the realm of investment research and analysis. Another potential path that would have used my math interests and skills and is an area of substantial interest to me would have been a career in architecture, combining math with a creative and structural aspect.

