

## Sabrient Baker's Dozen Model Portfolio – 2nd Quarter 2020

Ticker	Company Name	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield	Notes	
1	ADSK	Autodesk, Inc.	Application Software	39.7	50.0%	43.1	0.86	0.0%	ADSK creates design software used in the architecture, construction, and manufacturing industries. The company is shifting its business model to selling subscription-based services that provide stable revenue growth and reduce ADSK's exposure to changes in the macro economy compared to selling individual licenses. The company's software is an important tool in driving important innovations. Auto parts suppliers are increasing usage of ADKS's products in order to create new innovations for electric vehicles. The rollout of the Construction Cloud platform, which combines the company's advanced technology with the industry's largest network of builders, will provide a new avenue for growth going forward.
2	AMD	Advanced Micro Devices, Inc.	Semiconductors	66.3	72.1%	51.4	0.71	0.0%	AMD manufactures semiconductors primarily for computing and graphics devices. Demand for the company's processors continues to be strong as HP and Lenovo recently announced new PCs that will be powered by AMD chips. The company's processors are also a favorite among miners in the cryptocurrency space. Chromebooks, which are also powered by AMD chips, are gaining popularity in the commercial market as retail, healthcare, and financial companies are using them to power their businesses. Both Sony and Microsoft have announced new gaming consoles to be released in 2020 that are going to use AMD graphics chips.
3	AMZN	Amazon.com, Inc.	Internet and Direct Marketing Retail	1182.4	22.2%	84.4	3.80	0.0%	AMZN competes in several different markets, most notably online retail and cloud computing. Although its forward PE and PEG ratios are higher than we typically prefer, the company has a history of strong, consistent, reliable growth and is well positioned to capitalize on the effects of the COVID-19 shutdown. With most brick-and-mortar retailers closed, online shopping is the most convenient and safest option for consumers. The rise in telecommuting, as many professionals are being forced to work from home, is expected to drive growth to AMZN's fastest growing segment, Amazon Web services. Both of these trends are expected to last well into 2021, even after stay-at-home orders are lifted.
4	BMJ	Bristol-Myers Squibb Company	Pharmaceuticals	137.1	29.7%	10.0	0.34	3.0%	With the recent acquisition of Celgene, BMY has increased its presence as a major player in the pharmaceutical market. The company is working diligently to produce new treatments for lung cancer that are expected to benefit BMY over the next several years. The Celgene acquisition brings along a large pipeline of drugs with a focus on cancer, inflammatory disease, and immunology. Celgene recently received FDA approval for the first new treatment for myelofibrosis in over a decade.
5	CACI	CACI International, Inc.	IT Consulting and Other Services	6.1	28.0%	18.3	0.65	0.0%	CACI provides cyber security and information solutions to businesses and government entities, including the military. The company is constantly advancing the protection of vital communications and IT infrastructure. As online communications continue to grow, the demand for cyber security will increase. CACI was recently awarded a contract by the U.S. Navy to provide mission expertise to submarines.
6	CAG	Conagra Brands, Inc.	Packaged Foods and Meats	16.4	28.2%	13.9	0.49	2.5%	CAG operates as a food company that offers a variety of shelf-stable and frozen food products. The company's primary sales channel is through grocery stores, which are experiencing increased demand. CAG is expected to benefit from the rise of social distancing and the slowdown in the restaurant industry as demand for at-home food consumption rises significantly. CAG could benefit over the longer term as many of the company's brands are reaching new customers during this time.
7	CHTR	Charter Communications, Inc.	Cable and Satellite	116.2	76.0%	37.2	0.49	0.0%	CHTR offers cable and internet services to both individuals and businesses, primarily on a subscription basis. The company has shifted its customer mix away from cable by adding 1.4 million internet customers over the last year. This shift positions CHTR to capitalize on the rapid growth in data consumption. Video consumption continues to transition to internet platforms, creating demand for higher speeds and CHTR's higher tiers of products.
8	HII	Huntington Ingalls Industries, Inc.	Aerospace and Defense	8.0	47.9%	9.5	0.20	2.1%	HII designs and builds ships and submarines primarily for the U.S. military. Along with General Dynamics, the company was recently awarded a \$22.2B contract from the Navy to build nine Virginia-class submarines. At the end of 2019, HII's backlog was valued at \$46.5B, more than double compared to a year ago. The company is also benefiting from expanding its technical solutions segment, where it was just awarded several contracts to install electrical systems on ships and submarines.

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9	NBIX	Neurocrine Biosciences, Inc.	Biotechnology	9.2	978.3%	27.8	0.03	0.0%	NBIX develops treatments for neurological, endocrine, and psychiatric disorders. The company's main drug, Ingrezza, is used to treat tardive dyskinesia, a nervous system disorder that causes involuntary muscle movement. Tardive dyskinesia is a side effect of anti-psychotic medication, which has been on the rise. NBIX has drugs in its pipeline to treat similar symptoms, including Parkinson's and epilepsy.
10	NVDA	NVIDIA Corporation	Semiconductors	179.0	30.8%	38.6	1.25	0.2%	NVDA designs graphic processors for PCs and other computing platforms used for gaming and creative applications. Growth in gaming, along with the transition to cloud gaming, is expected to benefit the company over the long term. The continued rise of eSports, where higher frame rates give players an edge, will drive continued demand for new products. NVDA's data center business is also expected to benefit from increased internet usage as working remotely becomes more common.
11	RNR	RenaissanceRe Holdings Ltd.	Reinsurance	6.9	60.4%	10.7	0.18	0.9%	RNR provides property, casualty, and specialty reinsurance and insurance products. The company has demonstrated material growth in gross premiums written, driven by expansion across a number of its underwriting platforms. A lower level of insured catastrophe events has resulted in lower claim expense, pushing underwriting profits higher. RNR's recent acquisition of TMR Group creates a larger reinsurance risk pool and is expected to be immediately accretive to earnings.
12	VRTX	Vertex Pharmaceuticals Incorporated	Biotechnology	70.1	43.5%	35.4	0.81	0.0%	VRTX develops therapies for the treatment of cystic fibrosis. Approval of the company's drug Trikafta in 2019 helps secure VRTX as the market leader in the cystic fibrosis market for years to come. The drug maker is working to diversify its pipeline by working on therapies for sickle cell disease, muscular dystrophy, and type 1 diabetes. The recent acquisitions of Semma and Exonics are expected to help VRTX expand its portfolio with a new cell therapy approach for type 1 diabetes and gene editing for muscular dystrophy.
13	VST	Vistra Energy Corp.	Independent Power Producers and Energy Traders	8.6	98.8%	7.5	0.08	3.4%	VST is a retail energy provider that produces power for several of the major markets across the U.S., including Texas, California, and Illinois. VST fuels a majority of its generation capacity with natural gas, while expanding alternative energy sources to replace coal plants. The company continues to build out the largest battery storage facility in the world, located in northern California, which is expected to provide 300 megawatts of storage.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
<b>Average:</b>	142.0	120.5%	29.8	0.25	0.9%
<b>Median:</b>	39.7	47.9%	27.8	0.58	0.0%

**DEFINITIONS:**

**NTM EPS Growth** = Next 12 months earnings per share year-over-year expected growth rate, based on consensus of sell-side analysts as reported by S&P Capital IQ

**Fwd. PE** = Forward (or expected) Price/Earnings ratio, based on consensus of sell-side analysts' earnings per share estimates for the next 12 months as reported by S&P Capital IQ

**Fwd. PEG** = Fwd. PE divided by NTM EPS Growth rate (i.e., Ratio of Forward P/E to Forward Growth)

Numbers shown were calculated using data as of market close on 4/17/2020

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