

Sabrient Baker's Dozen Model Portfolio – August 2019

Ticker	Company Name	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield	Notes	
1	ALL	The Allstate Corporation	Property and Casualty Insurance	34.2	29.8%	10.5	0.35	1.9%	ALL offers a wide range of insurance products including auto, homeowners, renters, and life insurance. The company's SquareTrade brand, which offers protection for consumer electronics including TVs, smartphones, computers, and home appliances, is providing significant growth for ALL. SquareTrade gives the company exposure to a new segment of the insurance industry that is growing rapidly. Property and casualty insurance premiums written also continue to increase, while ALL recently increased its outlook for underwriting profitability in 2019.
2	ANTM	Anthem, Inc.	Managed Health Care	69.9	27.7%	12.7	0.46	1.2%	As a health insurance provider, ANTM is either the number one or two provider in each of the 14 states in which it operates, with an average market share of 35%. The company's Medicare Advantage program is expected to be a driver for growth in 2019 by increasing membership by more than 20%. ANTM's recent expansion into Minnesota during the first quarter is on track to provide growth to the commercial fully-insured segment.
3	ARNC	Arconic Inc.	Aerospace and Defense	11.0	28.9%	11.7	0.41	0.3%	ARNC manufactures engineered aluminum products with a wide range of end-market applications. The aerospace market provided strong organic revenue growth over the last year, with defense aerospace in particular increasing at a double digit rate. Aerospace engines and commercial airframe sales are expected to continue to grow as the demand for airplanes remains strong. Commercial transportation and automotive are also contributing to the positive growth outlook for ARNC, as the trend of increased use of lightweight materials continues.
4	BYD	Boyd Gaming Corporation	Casinos and Gaming	2.6	29.4%	12.5	0.43	1.2%	With properties exclusively in the U.S., BYD is expected to benefit from growth in the gaming industry and sports gambling as regulations are scaled back. BYD recently acquired four new properties, giving the company access to three of the largest markets in the Midwest (Missouri, Indiana, and Ohio). The company's strategic partnership with FanDuel is expected to help BYD capitalize on the growth in sports gambling and expand BYD's online gaming across the country.
5	CI	Cigna Corporation	Health Care Services	61.5	22.2%	9.2	0.41	0.0%	CI offers health services and medical insurance. Its demonstrated efficiency in controlling medical costs has allowed it to offer competitive price points, reinforcing its affordability value proposition. CI has pursued a strategy of diversifying its operations through acquisitions, making the company less dependent on its core commercial business and increasing its exposure to areas such as pharmacy care and healthcare supply chain management. The company's growth outlook accelerated through its acquisition of Express Scripts, which also facilitated greater vertical integration. Strong cash flow generation has allowed the firm to deleverage its balance sheet and return capital to shareholders while continuing to pursue strategic M&A opportunities.
6	CMC	Commercial Metals Company	Steel	1.9	30.9%	6.8	0.22	3.1%	Steel producer CMC has been working to increase the company's production of engineered specialty steel products, primarily proprietary rebar. Such specialty products provide higher margins and are less affected by changes in raw material prices. CMC's investment in a new micro mill has allowed the company to ramp up production capacity as it prepares for growing demand for nonresidential construction and infrastructure. CMC also runs a major recycling operation that is benefiting from rising scrap prices.
7	ENVA	Enova International, Inc.	Consumer Finance	0.8	29.4%	6.5	0.22	0.0%	ENVA is a technology and analytics company that provides online financial services to consumers and small businesses. The fintech company continues to reach new customers as loans to first-time customers represented 35% of total originations during the most recent quarter. ENVA continues to take market share from traditional brick-and-mortar lenders in the non-prime lending space as the company's online platform sets them apart. Small business loans are also contributing to growth as they now represent a larger percentage of the company's overall loan book.
8	GDDY	GoDaddy Inc.	Internet Services and Infrastructure	11.4	57.7%	18.9	0.33	0.0%	GDDY offers domain name registration and hosting, as well as cloud-based technology products for small businesses. As the company continues to grow its user base, it has also found ways to increase its average revenue-per-user by offering more products and services. GDDY now offers products to help entrepreneurs with e-commerce and digital marketing.

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9	JBLU	JetBlue Airways Corporation	Airlines	5.4	30.7%	8.3	0.27	0.0%	JBLU is an airline primarily focused on the U.S. market and is benefitting from a strong domestic economy. The airline is adding capacity as Americans are continuing to spend more on travel. JBLU is increasing direct flights to leisure destinations such as Florida and Costa Rica from the company's primary markets in the Northeast. The airline is also increasing frequency between business-heavy markets such as Boston, New York, and Washington D.C. that are expected to provide growth for JBLU.
10	NMIH	NMI Holdings, Inc.	Thrifts and Mortgage Finance	1.9	32.3%	10.2	0.32	0.0%	NMIH is capitalizing on a favorable housing market environment for mortgage insurance, as well as benefiting from increased refinancing on existing mortgages. This increased refinancing along with new loan origination has helped the company report a record bottom-line performance of \$0.59 per share in the second quarter of 2019. In addition, the FHA has reiterated its commitment to its mortgage insurance programs, which helps private mortgage insurers like NMIH.
11	PPC	Pilgrim's Pride Corporation	Packaged Foods and Meats	7.3	65.9%	13.1	0.20	0.0%	PPC is a producer of fresh, frozen, pre-marinated, and ready-to-eat chicken products in North America and Europe. The company has been shifting its product mix to more specialty birds, which include antibiotic-free and organic chicken, as consumer demand for premium products increases. Specialty birds are expected to make up 40% of the company's fresh chicken sales in 2019, more than double the rate of the last few years. Growth in PPC's Just BARE is helping drive growth in the company's prepared foods segment, which is expected to continue over the next year.
12	RNR	RenaissanceRe Holdings Ltd.	Reinsurance	8.4	68.1%	12.7	0.19	0.7%	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 income higher. RNR's recent acquisition of TMR Group creates a larger reinsurance risk pool and is expected to be immediately accretive to earnings.
13	VAC	Marriott Vacations Worldwide Corporation	Hotels, Resorts and Cruise Lines	3.9	37.2%	10.4	0.28	2.1%	VAC operates vacation ownership properties, such as timeshares, under a range of brands that include Marriott, Sheraton, Westin, and Hyatt. The company is successfully finding new customers through its new marketing and sales strategy, which led to first-time-buyer tours representing 45% of tours taken during the second quarter of 2019. VAC also recently acquired ILG, adding 43 vacation ownership properties, primarily on the higher end.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
Average:	17.0	37.7%	11.0	0.29	0.8%
Median:	7.3	30.7%	10.5	0.34	0.3%

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 8/19/2019

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