

Sabrient Baker's Dozen Model Portfolio – March 2019

Ticker	Company Name	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield	Notes	
1	AGCO	AGCO Corporation	Agricultural and Farm Machinery	5.2	19.7%	14.6	0.74	0.9%	AGCO manufactures and sells agricultural equipment such as tractors, harvesters, protein systems, and grain storage. The company has increased sales of its harvesters at a double-digit rate over the last year in both its North America and Western Europe markets. New emission requirements in Europe are expected to be a growth catalyst for AGCO as farmers will need to invest in new machinery.
2	AME	AMETEK, Inc.	Electrical Components and Equipment	18.4	23.3%	20.0	0.86	0.7%	AME is a leader in advanced electronic instruments for the energy, aerospace, power, medical, and industrial markets, providing motion control solutions and thermal management systems. The company continues to develop new products to drive growth, with 25% of sales coming from recently launched products. AME recently opened a technology solutions center in India and views the company's expansion there as an attractive growth opportunity.
3	ANTM	Anthem, Inc.	Managed Health Care	79.2	20.1%	16.1	0.80	1.0%	As a health insurance provider, ANTM is either the number one or two provider in each of the 14 states that it operates in 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 expected to provide growth to the commercial fully-insured segment.
4	ATI	Allegheny Technologies Incorporated	Steel	3.3	25.7%	13.7	0.53	0.0%	ATI manufactures high performance materials and components for the medical, energy, oil & gas, and aerospace & defense markets. Aerospace & defense is expected to be a major driver of growth for ATI going forward as the transition to the manufacturing of next generation aircraft takes place for both the military and commercial markets. The automotive market is another growth opportunity for ATI as revenues from the industry increased at a double-digit rate last quarter.
5	BYD	Boyd Gaming Corporation	Casinos and Gaming	3.1	33.5%	15.8	0.47	0.9%	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.
6	CF	CF Industries Holdings, Inc.	Fertilizers and Agricultural Chemicals	9.4	102.6%	18.0	0.17	2.8%	With operations primarily in the U.S., CF produces nitrogen-based crop nutrients. A tight global market has caused nitrogen prices to increase through 2018, and that situation is expected to continue into 2019 as demand growth is projected to outpace growth in supply. Higher prices have led to operating margins increasing 15% over the last year and have produced high free cash flows. CF enjoys the competitive advantage of lower energy costs versus foreign competition, as new environmental regulations in China and Europe restrict the use of lower cost coal.
7	HLT	Hilton Worldwide Holdings Inc.	Hotels, Resorts and Cruise Lines	25.1	34.8%	22.6	0.65	0.7%	HLT owns and leases hotels around the world under several brands including Waldorf Astoria, LXR, Conrad, DoubleTree, Embassy, Hilton, and Hampton. The company is rapidly expanding, opening over 450 hotels during 2018, adding about 57,000 rooms. HLT plans to continue opening new hotels over the next year with roughly 30% of new hotels located in the Asia Pacific region, a market expected to benefit from long-term economic development and increased tourism.
8	SAVE	Spirit Airlines, Inc.	Airlines	3.7	49.0%	8.2	0.17	0.0%	SAVE operates as a low-fare airline by unbundling fees, which lets customers choose their in-flight services. The strategy of providing customers with customizable options has worked well for SAVE, allowing the airline to gain market share with revenue-per-available-seat mile increasing 11.4%. SAVE just began expanding internationally, with services to 12 popular leisure-travel destinations in Latin America and the Caribbean.

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9	SSNC	SS&C Technologies Holdings, Inc.	Application Software	15.8	30.8%	16.6	0.54	0.6%	SSNC provides software for financial service providers, offering front-to-back office applications for trading, modeling, portfolio management, reporting, accounting, and performance measurement. The growing FinTech market is an area the company looks to capitalize on as investment strategies become more complex. Increasing compliance requirements, regulations, and need for transparency will continue to drive demand for SSNC's software over the long term.
10	TRV	The Travelers Companies, Inc.	Property and Casualty Insurance	35.0	24.7%	11.9	0.48	2.3%	The insurance industry is receiving a tailwind from tax reform and a strengthening economy. TRV is also expected to benefit from rising interest rates that lead to increased interest income. In addition to changes in the market environment, TRV has been able to improve its combined ratio (a measure of underwriting profitability) by 200 basis points in Q4 of 2018 compared to a year ago, making it the best quarter since 2016. Net written premiums also grew by 4.2% year-over-year, to \$6.98 billion.
11	URI	United Rentals, Inc.	Trading Companies and Distributors	9.6	18.0%	6.3	0.35	0.0%	As the largest equipment rental company in the country, URI is able to leverage its assets and capitalize on economies of scale as the company continues to outpace the growth of this fragmented market. Non-residential construction demand is expected to continue to increase in 2019 on the back of a strong domestic economy, after providing URI solid revenue growth over the last year. URI continues to expand its offerings in the non-residential market through both new facilities and the acquisitions of BlueLine, Baker and Westernone.
12	VST	Vistra Energy Corp.	Independent Power Producers and Energy Traders	12.4	211.9%	11.9	0.06	1.9%	VST is a retail energy provider that produces power for several of the major markets across the U.S., following the acquisition of Dynegy in 2018. VST fuels a majority of its generation capacity with natural gas, while the company is also exploring opportunities for alternative energy sources. The company recently entered into an agreement with the State of California to develop the largest battery storage facility in the world, which is expected to provide 300-megawatts of storage.
13	ZAYO	Zayo Group Holdings, Inc.	Alternative Carriers	6.6	49.0%	38.2	0.78	0.0%	ZAYO is a communications network company well positioned to capitalize on the growth of the new 5G network. The company is rapidly building out its inventory of fiber and datacenter space, providing a strategic advantage as more content goes on to the mobile platform. Continued rollouts of 5G by Verizon and AT&T are expected to benefit all fiber providers, and ZAYO has one of the strongest fiber networks in the country.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
Average:	17.4	49.5%	16.4	0.33	0.9%
Median:	9.6	30.8%	15.8	0.51	0.7%

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 3/19/2019

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