

## 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.  |

| Ticker | Company Name | Industry                         | Mkt Cap (\$B)                                  | NTM EPS Growth | Fwd. PE | Fwd. PEG | Div. Yield | Notes |  |
|--------|--------------|----------------------------------|--|----------------|---------|----------|------------|-------|--|
| 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 |
|-----------------|---------------|----------------|---------|----------|------------|
| <b>Average:</b> | 17.4          | 49.5%          | 16.4    | 0.33     | 0.9%       |
| <b>Median:</b>  | 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

Sabrient Systems, LLC ("SABRIENT") defines its approach to stock selection as a quantitative GARP model (Growth At a Reasonable Price) with a qualitative fundamental emphasis and forensic accounting review.

**Disclaimers:**

The information contained herein is based on sources believed to be reliable, but no warranty or representation of any kind, expressed or implied, is made as to its accuracy, completeness, or correctness.

This document is neither a solicitation to buy nor an offer to sell securities, and it is not intended as personalized investment advice.

Information contained herein reflects our judgment or interpretation at the time of publication and is subject to change without notice.

The Notes above reflect the opinions of SABRIENT and include forward-looking statements subject to a number of uncertainties that could cause actual results to differ materially from the statements made.

Investing involves risk and past performance is no guarantee of future results. Investment returns will fluctuate and principal value may either rise or fall.

© Copyright 2019 by Sabrient Systems LLC. Unauthorized reproduction or redistribution of this document in full or in part is strictly prohibited by law and a violation of the Copyright Act.

Information contained herein may not be reproduced in whole or in part, including photocopying or e-mail forwarding, without the express written consent of SABRIENT.

