

Sabrient Baker's Dozen Model Portfolio – November 2019

Ticker	Company Name	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield	Notes	
1	AIZ	Assurant, Inc.	Multi-line Insurance	8.0	33.1%	14.2	0.43	1.9%	AIZ provides specialty insurance products, including protection plans for mobile devices, which is the fastest growing segment for the company. The company has partnerships with carriers like Verizon, Comcast, Charter, and T-Mobile that are expected to help drive growth. AIZ now protects more than 48 million mobile devices.
2	ALK	Alaska Air Group, Inc.	Airlines	8.6	21.1%	10.1	0.48	2.0%	The Seattle-based airline has grown in recent years with over 115 destinations across the entire U.S., but still has a primary focus on the West Coast. The acquisition of Virgin America has helped ALK become the 5th largest domestic airline by adding over 40 new routes. In mid-2018 the company shifted all operations under the Alaska Air brand in order to capitalize on the recognition of its award-winning service. ALK has been working to upgrade amenities in an effort to improve the customer experience, including expansion of premium seating, Wi-Fi connectivity and in-flight entertainment.
3	AMD	Advanced Micro Devices, Inc.	Semiconductors	46.0	166.5%	38.7	0.23	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's chips. The company's processors are also a favorite among miners in the cryptocurrency space. Chromebooks, which are also powered by AMD, 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.
4	ANTM	Anthem, Inc.	Managed Health Care	74.2	22.8%	13.3	0.58	1.1%	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 by increasing membership by more than 20%. ANTM has also started investing more heavily into its digital capabilities and AI to help provide a better customer experience. The company's end-to-end digital-first clinical model already has more than a million members, which is expected to double in 2020.
5	CHTR	Charter Communications, Inc.	Cable and Satellite	102.9	110.2%	41.2	0.37	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.
6	ENVA	Enova International, Inc.	Consumer Finance	0.7	28.4%	5.0	0.17	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 with loans to first-time customers representing 38% 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; such loans now represent a larger percentage of the company's overall loan book.
7	ERIC	Telefonaktiebolaget LM Ericsson (publ)	Communications Equipment	291.3	37.8%	19.2	0.51	0.0%	ERIC, a company based in Sweden, offers technology and equipment to network service providers around the globe. The company has made several key partnerships in preparation for the ramp-up in 5G that is expected to take place in 2020. One such partnership is with Nvidia, to create products that offer a faster and more flexible introduction of new AI and IoT services. ERIC also has deals with major Korean service providers such as LG to supply key components to build their 5G network.
8	KBH	KB Home	Homebuilding	3.1	30.5%	10.7	0.35	1.0%	KBH is a homebuilder with properties in several states across the U.S. that span a wide range of price points. The company is benefiting from increasing demand driven by steady economic growth and low interest rates. KBH primarily targets first-time home buyers, but offers multiple options within the same community to appeal to several market segments. This strategy helps differentiate KBH from competitors and has helped led to a growing backlog for the company.

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9	MGM	MGM Resorts International	Casinos and Gaming	16.4	68.7%	22.0	0.32	1.6%	MGM operates hotels, casinos, and entertainment facilities in Las Vegas, Macau, and select regional markets across the U.S.. Las Vegas is expected to have a strong year as several positive catalysts are scheduled for 2020. A favorable rotation in the convention schedule, as well as the hosting of the NFL draft and the opening of Raider Stadium, are all expected to drive an increase in traffic for MGM. The company recently announced a partnership with Yahoo Sports to capitalize on the growth in digital sports betting that will benefit all of MGM's U.S. sportsbooks.
10	MPC	Marathon Petroleum Corporation	Oil and Gas Refining and Marketing	40.2	30.8%	8.3	0.27	3.3%	As an oil refiner, MPC is less impacted by fluctuations in oil prices than most of the energy sector due to its reliance on the crack spread. The company continues to realize synergies from the acquisition of Andeavor from late last year. So far MPC has realized roughly half of the \$1.4 billion in annual cost saving synergies. The company also has new pipeline scheduled to come online in 2020 that will help MPC increase operations in both the Permian and the Eagle Ford Basins.
11	NMIH	NMI Holdings, Inc.	Thrifits and Mortgage Finance	2.3	31.4%	11.0	0.35	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 \$0.71 per share in the third quarter of 2019. In addition, the FHA has reiterated its commitment to its mortgage insurance programs, which helps private mortgage insurers like NMIH.
12	TPX	Tempur Sealy International, Inc.	Home Furnishings	4.6	41.5%	17.0	0.41	0.0%	As a manufacturer and distributor of bedding products, TPX operates an omni channel distribution system with retail stores and a robust e-commerce platform. The company recently entered into a relationship with Big Lots and Mattress Firm that will help drive growth in 2020. TPX produces most of the products it sells in North America in the U.S., giving the company an advantage over Chinese competitors that have been hit with increased tariffs.
13	VLO	Valero Energy Corporation	Oil and Gas Refining and Marketing	40.1	71.0%	10.5	0.15	3.6%	VLO operates as an oil refiner, producing petroleum, diesel, and ethanol fuels. The company is beginning to see benefits from its investments in the central Texas area, with new pipelines and terminals coming online over the summer. VLO is now working to expand its Diamond Green Diesel facility, North America's largest biomass-based diesel plant. The company's continued investment to expand production capacity will benefit VLO over the long term.

	Mkt Cap (\$B)	NTM EPS Growth	Fwd. PE	Fwd. PEG	Div. Yield
Average:	49.1	53.4%	17.0	0.32	1.1%
Median:	16.4	33.1%	13.3	0.40	1.0%

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 11/19/2019

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