



Sabrient leverages a team of engineers and analysts with a process-driven methodology to build robust quantitative models and produce actionable equity research, investor tools, stock & ETF rankings, stock portfolios, and rules-based indexes.

Portfolio Update and Market Outlook

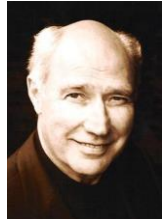
Baker's Dozen, Dividend, Small Cap Growth, Forward Looking Value

- 1. Summary talking points for advisors and investors***
- 2. Company overview and our enhanced selection process***
- 3. Performance update***
- 4. Overview of the new Q2 2024 Baker's Dozen***
- 5. Market observations & outlook***

Updated 4/19/2024



Scott Martindale
President & CEO



David Brown
Founder & Chief Market Strategist

This presentation, including the gross historical performance shown in this presentation, pertains solely to the theoretical *model portfolios* published by Sabrient Systems, LLC. Sabrient is not responsible for the usage of such portfolios by any third party, including without limitation the *Baker's Dozen* UITs sponsored by First Trust. In addition, the performance numbers herein do not reflect the deduction of brokerage commissions, execution fees, or other expenses that may be paid by any third party making its own investment in the portfolios. First Trust UITs are subject to the imposition of fees, and to variation in the construction of the portfolios, which will over time reduce the performance of such UITs in comparison with the performance of Sabrient's model portfolios.

Summary Talking Points

1. Sabrient leverages a process-driven methodology to build quantitative, fundamentals-based, multifactor models and a “*quantamental*” (quantitative screen plus fundamental review & selection) approach to portfolio selection.
 2. Our portfolios displayed consistent outperformance in 2009–2014 of, but then the market became narrow & news-driven leading to historic performance divergences in Growth over Value factors. So, in December 2019 we implemented process enhancements to make our portfolios more all-weather—*while maintaining the potential for significant outperformance vs. benchmarks*.
 3. **26 of 35** live and recently terminated portfolios (in 2023-24) have either outperformed or stayed close to their benchmarks (gross total returns), as have **40 of 57** portfolios created since enhancements were implemented in Dec 2019). This is despite narrow market breadth dominated by the “Magnificent Seven” (MAG7). These portfolios include ***Baker’s Dozen, Dividend, Small Cap Growth, and Forward Looking Value***.
 4. The 2 worst performers are the Q4 2022 and Q1 2023 Baker’s Dozens. The primary reason has been an overweight in the Energy sector and underweight in Technology relative to the S&P 500 benchmark that didn’t pan out. **Fortunately, these 2 are anomalies.**
 5. The **new Q2 2024 Baker’s Dozen** launched 4/19/24 with 13 concentrated positions and a bias to small-mid caps (9 of 13) but also a few titans (like NVDA, AMZN, and NFLX). It offers potential “rocket fuel” for outsized gains.
 6. The latest **Small Cap Growth 41 launched on 2/1/24**. It provides an alpha-seeking alternative to a passive position in the Russell 2000 for small-cap exposure, as small caps may be poised to outperform. Despite the market pullback, it is up **+4.1%** vs. -1.1% for IWM (as of 4/18/24).
 7. The latest **Dividend 47 launched on 2/26/24**. It employs a GARP & Income strategy that seeks capital appreciation from quality companies with solid growth history and reliable dividends. As of 4/19/24, it pays a **current yield of 3.9%** and is up **+0.4%** vs. +1.4% for SPYD.
 8. Inflation’s fall has stalled but should continue to recede (albeit choppy) as supply chain pressures are subdued, money supply growth is stagnant, wage growth falls, and the lag effects of elevated rates show increasing impact. The Fed still recognizes lag effects are manifesting. Notably, the blockchain-based, real-time “Truflation” metric shows inflation at **+2.0%**.
 9. Elevated valuations on the major indexes keep rising, primarily driven by MAG7. Minus those stocks, valuations across the broad market are more reasonable. Forward P/E on cap-weight SPY is 20.6x, but equal-weight RSP is only 16.6x and small-cap SPSM is just 13.7x, as of 4/18/24.
 10. Investors may do better with active stock selection that identifies under-the-radar/undervalued gems primed for explosive growth—*which is what Sabrient portfolios seek to do* by combining Value, Quality, and Growth factors and exposure to cyclical and secular growers.
-

Company Overview

➤ Sabrient Systems LLC

- Independent equity research provider and SEC-registered RIA
- Founded in 2000 in Santa Barbara, CA
- Team of engineers and analysts, led by former **NASA** engineer (Apollo 11 moon landing) David Brown and former **Chevron** engineer Scott Martindale
- Quantitative fundamentals-based multifactor models
- Process-driven methodology leveraging a scientific hypothesis-testing approach to model development
- Numbers-driven; bottom-up rather than top-down
- Unlike most RIAs, we don't manage investor money directly but instead receive licensing/consulting fees

➤ Products & Services:

- Quantitative equity research, models and data sets, rankings of stocks & ETFs, online investor tools, and insightful market commentaries
- Portfolio strategies for various investing styles, stock portfolios for UITs and SMAs, rules-based equity indexes for ETFs
- Best known for our *Baker's Dozen* franchise, a 13-stock portfolio first introduced in 2009 based on a proprietary Growth at a Reasonable Price (GARP) “quantamental” approach
- *Baker's Dozen* and 3 other offshoot strategies offered as UITs through First Trust Portfolios

Our “Quantamental” Approach

1. Quantitative screen to narrow large eligible universe (50-100 names)

Forward P/E, forward EPS growth, recent dynamics of analyst consensus estimates, earnings quality, consistency & reliability of earnings growth

2. Fundamental analysis to identify top candidates (~25 names)

Still mainly numbers-driven, but not algorithmic

3. **Final Stock Selection** (13 names)

Manual process, adhering to sector concentration limits

We believe a GARP strategy is “all-weather.” So, what could go wrong? Two things:

- 1) Consensus EPS estimates are reduced after portfolio launch or the company fails to achieve them.
- 2) Investor sentiment turns defensive, leading to narrow market breadth and avoidance of lesser-known firms.

Note: This applies to Baker's Dozen selection, but we employ a similar approach for all portfolios (adjusted for appropriate universe or investment mandate).

Sabrient Portfolios: leveraging the “quantamental” approach

- **Q2 2024 Baker’s Dozen** (13 stocks) launched on 4/19/24
 - ⇒ *Offers alpha-seeking opportunity thru a concentrated all-cap portfolio that balances value/cyclical growth with high-quality secular growers*
- **Small Cap Growth 41** (45 stocks) launched on 2/1/24
 - ⇒ *Offers alpha-seeking alternative to Russell 2000 for small cap exposure*
- **Dividend 47** (50 stocks) launched on 2/26/24
 - ⇒ *High-quality GARP + Income portfolio; Current Yield of 3.9% (as of 4/19/24)*
- **Forward Looking Value 11** (34 stocks) launched on 7/24/23
 - ⇒ *Less concentrated and more value-biased version of the Baker’s Dozen*

Latest Q2 2024 *Baker's Dozen* Portfolio – statistics upon launch

Launch date: 4/19/2024

Ticker	Company Name	Sector	Industry	Mkt Cap (\$B)	NTM EPS Growth	Fwd PE	Fwd PEG	Div Yield	EQR	GQR
AMZN	Amazon.com	Consumer Discretionary	Broadline Retail	1,863.9	45.0%	42.6	0.95	0.0%	5	10
CE	Celanese	Materials	Specialty Chemicals	17.2	27.5%	13.6	0.49	1.8%	4	8
GM	General Motors	Consumer Discretionary	Automobile Manufacturers	49.0	18.7%	4.7	0.25	1.1%	3	9
HMN	Horace Mann Educators	Financials	Multi-line Insurance	1.4	98.9%	11.1	0.11	3.9%	4	8
JAMF	Jamf Holding	Information Technology	Application Software	2.4	76.3%	33.9	0.44	0.0%	4	5
NE	Noble Corporation	Energy	Oil & Gas Drilling	6.4	72.8%	14.3	0.20	3.5%	4	7
NFLX	Netflix	Communication Services	Movies & Entertainment	264.5	45.6%	35.0	0.77	0.0%	5	10
NVDA	NVIDIA	Information Technology	Semiconductors	2,083.9	90.5%	34.3	0.38	0.0%	3	10
PPC	Pilgrim's Pride	Consumer Staples	Packaged Foods and Meats	8.4	84.4%	11.4	0.14	0.0%	5	7
RPD	Rapid7	Information Technology	Systems Software	2.7	38.8%	20.4	0.53	0.0%	5	10
SQSP	Squarespace	Information Technology	Internet Services and Infrastructure	4.7	62.9%	29.3	0.47	0.0%	5	8
USFD	US Foods Holding	Consumer Staples	Food Distributors	12.3	18.5%	16.0	0.87	0.0%	4	8
WRB	W. R. Berkley	Financials	Property & Casualty Insurance	20.8	20.8%	13.6	0.65	0.5%	5	10

Average:

333.7	53.9%	21.5	0.40	0.8%	4.3	8.5
-------	-------	------	------	------	-----	-----

Notes:

- Diverse Large/Mid/Small cap mix of 4/5/4
- 7 Value and 6 Growth stocks
- 8 *secular* growth from InfoTech, Comm Services, eCommerce, Insurance balanced with 3 *cyclicals* from Oil & Gas, Chemicals, Auto and 2 *noncyclicals* from the Food industry

EQR has quintile scale of 1-5 (5 is best)
GQR has decile scale of 1-10 (10 is best)

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

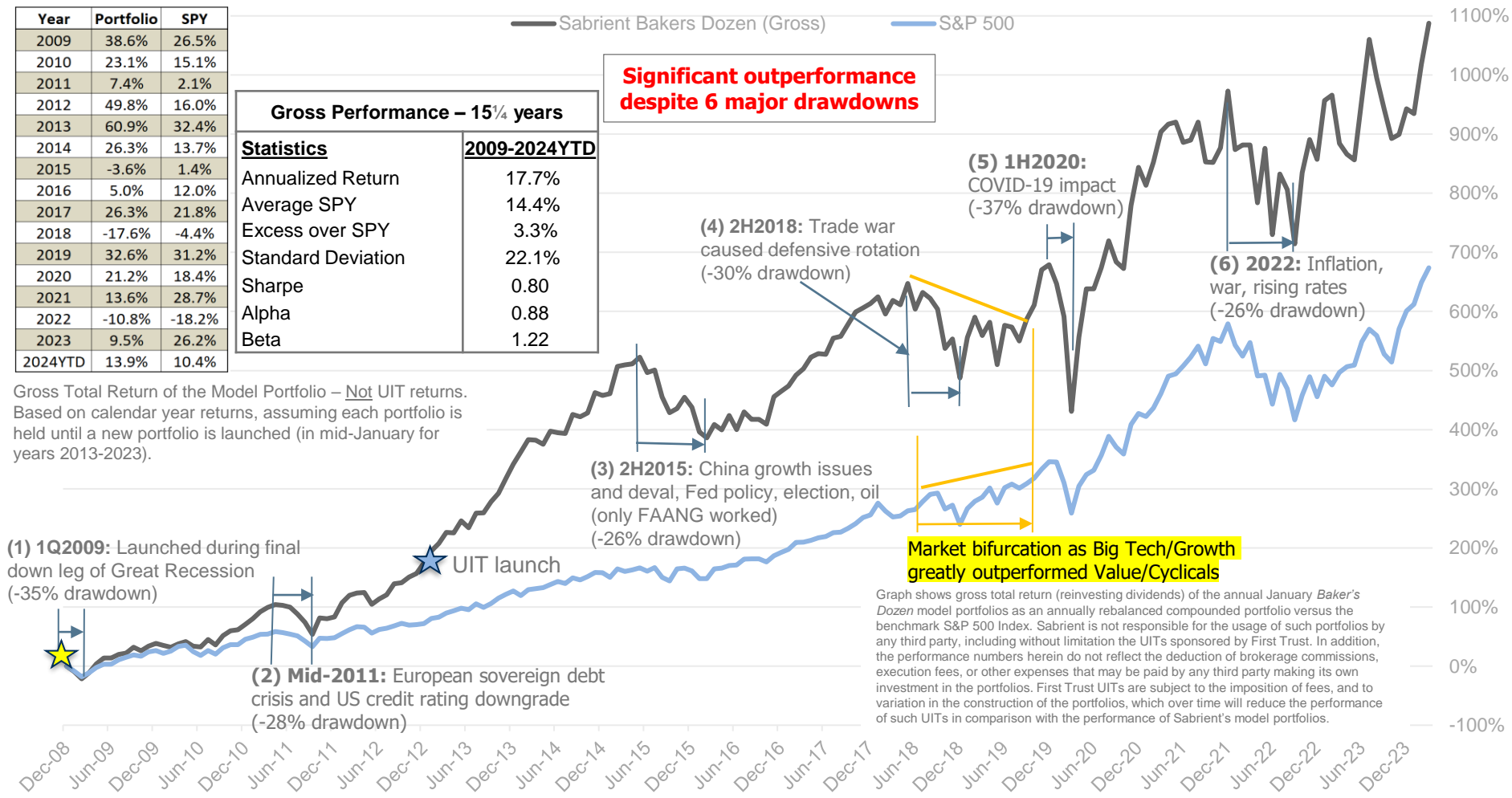
Baker's Dozen: Performance of Annual Model Portfolio (rebalanced each January)

(1/1/2009 inception thru 3/31/2024, end-of-month data points, updated quarterly)

Year	Portfolio	SPY
2009	38.6%	26.5%
2010	23.1%	15.1%
2011	7.4%	2.1%
2012	49.8%	16.0%
2013	60.9%	32.4%
2014	26.3%	13.7%
2015	-3.6%	1.4%
2016	5.0%	12.0%
2017	26.3%	21.8%
2018	-17.6%	-4.4%
2019	32.6%	31.2%
2020	21.2%	18.4%
2021	13.6%	28.7%
2022	-10.8%	-18.2%
2023	9.5%	26.2%
2024YTD	13.9%	10.4%

Gross Performance – 15¼ years	
Statistics	2009-2024YTD
Annualized Return	17.7%
Average SPY	14.4%
Excess over SPY	3.3%
Standard Deviation	22.1%
Sharpe	0.80
Alpha	0.88
Beta	1.22

Significant outperformance despite 6 major drawdowns



Gross Total Return of the Model Portfolio – Not UIT returns. Based on calendar year returns, assuming each portfolio is held until a new portfolio is launched (in mid-January for years 2013-2023).

Graph shows gross total return (reinvesting dividends) of the annual January Baker's Dozen model portfolios as an annually rebalanced compounded portfolio versus the benchmark S&P 500 Index. Sabrient is not responsible for the usage of such portfolios by any third party, including without limitation the UITs sponsored by First Trust. In addition, the performance numbers herein do not reflect the deduction of brokerage commissions, execution fees, or other expenses that may be paid by any third party making its own investment in the portfolios. First Trust UITs are subject to the imposition of fees, and to variation in the construction of the portfolios, which over time will reduce the performance of such UITs in comparison with the performance of Sabrient's model portfolios.

Past performance is not a guarantee of future results. Refer to Disclaimer page for other important disclosures.

Performance of live and recently terminated portfolios – as of 4/18/24

Baker's Dozen & FLV - Gross return thru: 4/18/2024

Portfolio	Launch	Close	Gross Return (FTP website)	SPY Return	Active Return
Q4 2021 BD	10/20/21	1/20/23	9.1%	-10.8%	19.9%
Q1 2022 BD	1/20/22	4/20/23	4.5%	-6.0%	10.5%
Q2 2022 BD	4/20/22	7/20/23	28.3%	3.8%	24.5%
Q3 2022 BD	7/20/22	10/20/23	15.8%	8.8%	7.0%
FLV 10	7/15/22	10/24/23	24.0%	12.2%	11.8%
Q4 2022 BD	10/20/22	1/22/24	-5.3%	34.9%	-40.2%
Q1 2023 BD	1/20/23		-1.0%	28.5%	-29.5%
Q2 2023 BD	4/20/23		31.3%	23.0%	8.3%
Q3 2023 BD	7/20/23		12.1%	11.7%	0.4%
FLV 11	7/24/23		9.1%	11.2%	-2.1%
Q4 2023 BD	10/20/23		18.1%	19.4%	-1.4%
Q1 2024 BD	1/19/24		7.9%	3.9%	4.1%

Sabrient Dividend - Gross return thru: 4/18/2024

Portfolio	Launch	Close	Gross Return	SPYD Return	Active
Div 35	3/19/21	3/17/23	-3.3%	1.9%	-5.2%
Div 36	6/22/21	6/22/23	7.0%	-1.9%	8.9%
Div 37	9/20/21	9/20/23	21.3%	2.7%	18.6%
Div 38	12/20/21	12/20/23	15.3%	4.9%	10.4%
Div 39	3/18/22	3/18/24	5.0%	0.4%	4.6%
Div 40	6/15/22		18.1%	4.4%	13.7%
Div 41	9/12/22		3.1%	-0.4%	3.5%
Div 42	12/9/22		1.9%	2.5%	-0.6%
Div 43	3/8/23		7.3%	3.1%	4.2%
Div 44	6/5/23		13.8%	11.7%	2.0%
Div 45	9/1/23		2.3%	6.5%	-4.2%
Div 46	11/29/23		8.2%	8.2%	0.1%
Div 47	2/26/24		0.4%	1.4%	-1.0%

Small Cap Growth - Gross return thru: 4/18/2024

Portfolio	Launch	Close	Gross Return	IWM Return	Active
SCG 32	12/6/21	3/6/23	3.5%	-12.3%	15.8%
SCG 33	3/4/22	6/5/23	0.4%	-8.0%	8.3%
SCG 34	6/1/22	9/1/23	12.4%	5.5%	6.9%
SCG 35	8/29/22	11/29/23	5.0%	-2.4%	7.4%
SCG 36	11/14/22	2/14/24	2.8%	9.9%	-7.0%
SCG 37	2/10/23		-2.8%	3.1%	-5.9%
SCG 38	5/8/23		19.3%	12.3%	6.9%
SCG 39	8/7/23		0.1%	0.3%	-0.2%
SCG 40	11/3/23		13.2%	11.2%	2.0%
SCG 41	2/1/24		4.1%	-1.1%	5.2%

All portfolios launched since December 2019 were created with our **enhanced GARP selection process**, which provides a balance between secular and cyclical growth and across market caps while striving for consistent “all-weather” performance ... *and still maintaining the potential for significant outperformance.*

The **table** shows gross total returns (without transactional sales charge, as displayed on the ftpportfolios.com website) versus a relevant benchmark for all the **live portfolios** plus those that recently terminated (in 2023-2024). [Note: We use S&P 500 High Dividend ETF (SPYD) as the appropriate Dividend benchmark here.]

27 of the 35 (77%) live or recently terminated (in 2023-24) portfolios shown have outperformed or stayed within 1% of their benchmark. Also **41 of the 57** (72%) portfolios created since enhancements were implemented in Dec 2019 have outperformed or stayed within 1% of their benchmark.

Worst performers have been the recent Q4 2022 and Q1 2023 Baker’s Dozen portfolios, which significantly underperformed by the S&P 500 primarily due to extreme sector “tilts” away from the benchmark allocations that didn’t pan out (*overweight* in Energy and *underweight* in Technology),

Notably, the **Dividend portfolio** is not purely yield-focused. Instead, it is a GARP+Income strategy that seeks *quality* stocks and a solid yield in the 4% range. (**Dividend 47 has a current yield of 3.9%.**)

As such, Dividend portfolios have been largely *uncorrelated* with either high-dividend SPYD or growth-oriented SPY—sometimes outperforming or underperforming one or both benchmarks.

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q2 2022 Baker's Dozen Model Portfolio – terminated 7/20/23

Launch date (4/20/2022) through termination (7/20/23)

Q2 2022 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
ACLS	Axcelis Technologies, Inc.	Information Technology	203.5%	13.5	14.6	-20.9%	33.2%
SAIA	Saia, Inc.	Industrials	93.1%	16.3	27.3	-5.3%	-1.8%
PHM	PulteGroup, Inc.	Consumer Discretionary	79.3%	4.1	8.9	-1.6%	5.5%
ON	ON Semiconductor Corporation	Information Technology	75.6%	13.6	16.3	-22.4%	-4.1%
AVGO	Broadcom Inc.	Information Technology	54.3%	16.2	22.3	-6.9%	6.9%
VLO	Valero Energy Corporation	Energy	16.3%	11.8	8.2	-68.8%	-17.0%
COP	ConocoPhillips	Energy	15.8%	7.7	11.7	-1.8%	-33.9%
BOX	Box, Inc.	Information Technology	-4.4%	28.5	15.2	-4.6%	19.8%
DVN	Devon Energy Corporation	Energy	-12.7%	8.4	7.5	-10.2%	-30.2%
MRC	MRC Global Inc.	Industrials	-17.1%	14.4	10.6	-22.9%	-14.0%
PFE	Pfizer Inc.	Health Care	-22.7%	9.1	19.5	-16.2%	-76.9%
CF	CF Industries Holdings, Inc.	Materials	-23.9%	7.1	11.7	-14.6%	-54.6%
AA	Alcoa Corporation	Materials	-62.0%	6.7	NE	63.5%	-130.6%
Average =			+28.3%	12.1	14.5	-10.2%	-22.9%
SPY	SPDR S&P 500 ETF Trust		3.8%				
RSP	Invesco S&P 500 Equal Weight		-0.9%				
MDY	SPDR S&P MidCap 400 ETF Trust		2.2%				
IWM	iShares Russell 2000 ETF		-1.7%				

Strong performers led by three semiconductor makers, a homebuilder, and a trucker offset a variety of laggards from Materials, Healthcare, and Energy.

Despite several double-digit losers, this portfolio benefited from a number of outstanding performers.

Overall, the portfolio has outperformed all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It *beat* the S&P 500 by +24.5 pps (gross total return).

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q3 2022 Baker's Dozen Model Portfolio – terminated 10/20/23

Launch date (7/20/22) through termination (10/20/23)

Q3 2022 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
AVGO	Broadcom Inc.	Information Technology	72.7%	12.9	22.3	4.8%	12.2%
TMHC	Taylor Morrison Home Corporation	Consumer Discretionary	43.3%	3.0	8.1	4.2%	-2.4%
ON	ON Semiconductor Corporation	Information Technology	41.2%	12.4	16.3	-6.9%	2.5%
PGR	The Progressive Corporation	Financials	39.6%	19.5	19.7	81.4%	32.3%
MRO	Marathon Oil Corporation	Energy	26.6%	4.4	7.4	17.1%	-35.6%
VLO	Valero Energy Corporation	Energy	25.0%	5.7	8.2	-18.3%	27.2%
HRI	Herc Holdings Inc.	Industrials	7.6%	7.8	10.8	26.4%	21.2%
CHDN	Churchill Downs Incorporated	Consumer Discretionary	3.8%	16.7	22.3	57.7%	21.0%
CF	CF Industries Holdings, Inc.	Materials	-0.8%	5.3	11.7	-0.3%	-33.8%
LNTH	Lantheus Holdings, Inc.	Health Care	-6.1%	22.7	10.9	1.4%	88.7%
DVN	Devon Energy Corporation	Energy	-8.7%	5.7	7.5	24.2%	-26.0%
PLAB	Photronics, Inc.	Information Technology	-11.3%	9.9	12.6	5.4%	3.5%
BOX	Box, Inc.	Information Technology	-13.3%	22.2	15.2	16.0%	33.0%
Average =			+15.8%	11.4	13.3	16.4%	11.1%
SPY	SPDR S&P 500 ETF Trust		8.8%				
RSP	Invesco S&P 500 Equal Weight		0.0%				
MDY	SPDR S&P MidCap 400 ETF Trust		1.6%				
IWM	iShares Russell 2000 ETF		-6.4%				

Strong performers led by two semiconductor makers, a homebuilder, and a P&C insurance company have offset laggards from medical diagnostics, software, and oil & gas.

Overall, the portfolio has outperformed all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It *beat* the S&P 500 by +7.0 pps (gross total return).

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q4 2022 Baker's Dozen Model Portfolio – terminated on 1/22/24

Launch date (10/20/22) through termination (1/22/24)

Q4 2022 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
PGR	The Progressive Corporation	Financials	44.4%	20.0	21.9	52.6%	55.0%
GPK	Graphic Packaging Holding Company	Materials	24.1%	8.8	9.6	2.7%	24.8%
EWBC	East West Bancorp, Inc.	Financials	17.6%	7.8	9.1	14.6%	8.1%
IMO	Imperial Oil Limited	Energy	15.0%	5.2	11.3	16.0%	-23.7%
HAL	Halliburton Company	Energy	11.1%	12.3	10.3	20.6%	45.4%
DE	Deere & Company	Industrials	6.9%	13.9	13.5	0.6%	31.2%
BOX	Box, Inc.	Information Technology	-3.1%	20.9	15.7	35.0%	33.0%
ALK	Alaska Air Group, Inc.	Industrials	-12.7%	9.7	9.1	0.2%	4.6%
MUR	Murphy Oil Corporation	Energy	-13.6%	5.7	9.5	42.3%	-19.3%
LNTH	Lantheus Holdings, Inc.	Health Care	-23.5%	18.5	10.4	-9.5%	47.6%
NTR	Nutrien Ltd.	Materials	-37.0%	7.1	16.6	20.9%	-66.7%
DVN	Devon Energy Corporation	Energy	-37.7%	7.3	8.3	41.3%	-26.0%
DAR	Darling Ingredients Inc.	Consumer Staples	-40.8%	11.5	11.3	52.7%	-1.5%
Average =			-5.3%	11.4	12.0	22.3%	8.7%
SPY	SPDR S&P 500 ETF Trust		34.9%				
RSP	Invesco S&P 500 Equal Weight		23.2%				
MDY	SPDR S&P MidCap 400 ETF Trust		24.6%				
IWM	iShares Russell 2000 ETF		18.6%				

This portfolio has suffered from a lack of big winners, underweight in high-flying Tech sector and overweight in dormant Energy. Top performers were stocks from insurance, packaging, and 1 oil & gas firm. But they couldn't offset a host of market laggards, including those from packaged foods, fertilizer, oil & gas, and medical diagnostics industries. Many of the stocks badly missed their EPS estimates.

Notably, LNTH, BOX, DE, and HAL all met or beat EPS estimates but still took hits on share price and forward P/Es.

Overall, the portfolio has underperformed all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It *trailed the S&P 500* by -40.2 pps (gross total return).

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q1 2023 Baker's Dozen Model Portfolio – terminating on 4/22/24

Launch date (1/20/23) through current (4/18/24)

Q1 2023 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
ACGL	Arch Capital Group Ltd.	Financials	48.0%	11.6	11.6	36.9%	73.9%
COLL	Collegium Pharmaceutical, Inc.	Health Care	40.8%	4.1	6.3	122.8%	27.7%
DAL	Delta Air Lines, Inc.	Industrials	22.6%	7.5	7.4	60.4%	95.0%
EVBG	Everbridge, Inc.	Information Technology	16.8%	23.7	19.6	401.2%	121.3%
LNTH	Lantheus Holdings, Inc.	Health Care	16.5%	13.3	9.5	31.9%	47.6%
PFBC	Preferred Bank	Financials	11.0%	7.3	8.2	8.8%	23.5%
MKL	Markel Corporation	Financials	10.2%	17.6	18.3	33.4%	-8.0%
EQT	EQT Corporation	Energy	9.2%	5.2	23.0	109.6%	-25.5%
NEX/PTEN	NexTier Oilfield / Patterson Energy	Energy	1.1%				
ZION	Zions Bancorporation	Financials	-15.7%	7.6	10.2	26.2%	-15.0%
DAR	Darling Ingredients Inc.	Consumer Staples	-29.1%	9.9	13.2	42.8%	-13.6%
TALO	Talos Energy Inc.	Energy	-31.0%	4.9	64.7	28.1%	-92.5%
EXTR	Extreme Networks, Inc.	Information Technology	-38.9%	16.9	34.7	43.0%	45.8%
Average =			+3.4%	10.8	18.9	78.8%	23.4%
SPY	SPDR S&P 500 ETF Trust		34.6%				
RSP	Invesco S&P 500 Equal Weight		17.4%				
MDY	SPDR S&P MidCap 400 ETF Trust		21.1%				
IWM	iShares Russell 2000 ETF		15.6%				

This portfolio has suffered from a lack of big winners, underweight in high-flying Tech sector and overweight in dormant Energy. Top performers are stocks from insurance, pharmaceuticals, and medical diagnostics. But they haven't offset a host of market laggards, including those from cloud networking, oil & gas, natural food ingredients, and a regional bank.

Some badly have missed their EPS estimates. Others like EXTR performed quite well for several months before faltering.

Overall, the portfolio has underperformed all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It *trails* the S&P 500 by -29.5 pps (gross total return) as of 4/18/24.

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q2 2023 Baker's Dozen Model Portfolio – terminating on 7/22/24

Launch date (4/20/23) through current (4/18/24)

Q1 2023 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
ACGL	Arch Capital Group Ltd.	Financials	46.3%	11.6	11.4	36.9%	73.9%
COLL	Collegium Pharmaceutical, Inc.	Health Care	26.1%	4.1	5.6	122.8%	27.7%
DAL	Delta Air Lines, Inc.	Industrials	22.6%	7.5	7.6	60.4%	37.6%
EVBG	Everbridge, Inc.	Information Technology	17.0%	23.7	19.6	401.2%	121.3%
LNTH	Lantheus Holdings, Inc.	Health Care	16.7%	13.3	9.5	31.9%	47.6%
EQT	EQT Corporation	Energy	6.7%	5.2	32.5	109.6%	-25.5%
PFBC	Preferred Bank	Financials	4.5%	7.3	7.7	8.8%	23.5%
MKL	Markel Corporation	Financials	4.0%	17.6	17.6	33.4%	-8.0%
NEX/PTEN	NexTier Oilfield / Patterson Energy	Energy	-4.0%				
ZION	Zions Bancorporation	Financials	-23.8%	7.6	9.2	26.2%	-15.0%
TALO	Talos Energy Inc.	Energy	-34.2%	4.9	32.6	28.1%	-92.5%
DAR	Darling Ingredients Inc.	Consumer Staples	-37.3%	9.9	12.7	42.8%	-13.6%
EXTR	Extreme Networks, Inc.	Information Technology	-42.1%	16.9	32.9	43.0%	45.8%
Average =			-1.0%	10.8	16.6	78.8%	18.6%
SPY	SPDR S&P 500 ETF Trust		28.5%				
RSP	Invesco S&P 500 Equal Weight		10.3%				
MDY	SPDR S&P MidCap 400 ETF Trust		12.5%				
IWM	iShares Russell 2000 ETF		6.0%				

This portfolio is enjoying several big winners, which easily offset a few losers. Top performers are two stocks from cybersecurity and one each from construction equipment rentals, mortgage servicing, and insurance.

All but one (ALB) have either met or greatly exceeded their EPS estimates.

Overall, the portfolio has so far outperformed all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It is *beating* the S&P 500 by +8.3 pps (gross total return) as of 4/18/24.

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q3 2023 Baker's Dozen Model Portfolio

Launch date (7/20/23) through current (4/18/24)

Q3 2023 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
NVDA	NVIDIA Corporation	Information Technology	86.0%	51.1	34.3	201.2%	468.6%
WFRD	Weatherford International plc	Energy	49.9%	16.2	15.5	261.3%	394.1%
COOP	Mr. Cooper Group Inc.	Financials	38.9%	9.1	8.4	133.5%	222.2%
PSTG	Pure Storage, Inc.	Information Technology	37.7%	25.2	33.3	23.6%	25.4%
BKNG	Booking Holdings Inc.	Consumer Discretionary	17.6%	20.9	19.5	28.9%	44.0%
CSTM	Constellium SE	Materials	16.6%	10.1	11.7	53.2%	-6.6%
MET	MetLife, Inc.	Financials	14.8%	7.3	8.1	31.5%	20.4%
EVBG	Everbridge, Inc.	Information Technology	13.5%	20.1	19.6	68.6%	74.0%
CHX	ChampionX Corporation	Energy	5.9%	17.0	18.3	44.0%	25.2%
EG	Everest Group, Ltd.	Financials	-1.3%	7.5	5.9	70.7%	151.8%
DAL	Delta Air Lines, Inc.	Industrials	-1.7%	6.6	7.6	23.5%	3.3%
PCRX	Pacira BioSciences, Inc.	Health Care	-31.0%	10.0	9.3	48.9%	22.5%
EXTR	Extreme Networks, Inc.	Information Technology	-60.2%	19.9	32.9	53.0%	-18.7%
Average =			+12.1%	17.0	17.3	80.1%	109.7%
SPY	SPDR S&P 500 ETF Trust		11.7%				
RSP	Invesco S&P 500 Equal Weight		4.7%				
MDY	SPDR S&P MidCap 400 ETF Trust		5.3%				
IWM	iShares Russell 2000 ETF		-0.1%				

This portfolio has benefited from holding MAG7 AI-darling NVDA plus a few other big winners, which offset a few losers. Besides semiconductor maker NVDA, top performers include an oil & gas services firm, a mortgage servicer, and a data storage firm. Laggards include a networking communications firm a biotech, and a major airline.

Most of the companies have met or exceeded their EPS estimates.

So far, the portfolio has matched or outperformed all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It is *beating* the S&P 500 by +0.4 pps (gross total return) as of 4/18/24.

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Q4 2023 Baker's Dozen Model Portfolio

Launch date (10/20/23) through current (4/18/24)

Q4 2023 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
NVDA	NVIDIA Corporation	Information Technology	104.6%	28.1	34.3	185.6%	292.4%
META	Meta Platforms, Inc.	Communication Services	62.6%	19.5	24.9	86.7%	119.0%
NFLX	Netflix, Inc.	Communication Services	52.3%	26.7	31.8	50.3%	68.6%
COOP	Mr. Cooper Group Inc.	Financials	42.0%	7.1	8.4	86.1%	117.0%
TRV	The Travelers Companies, Inc.	Financials	30.2%	9.9	10.9	74.2%	99.1%
WFRD	Weatherford International plc	Energy	19.3%	18.6	15.5	101.1%	171.0%
DTE	DTE Energy Company	Utilities	10.2%	14.1	16.1	31.6%	22.6%
CHX	ChampionX Corporation	Energy	7.9%	16.5	18.3	28.7%	7.6%
EXEL	Exelixis, Inc.	Health Care	6.5%	18.5	15.2	50.3%	45.2%
RPD	Rapid7, Inc.	Information Technology	-11.3%	29.8	20.4	106.8%	174.2%
ALKS	Alkermes plc	Health Care	-12.1%	15.0	8.8	148.4%	207.1%
VC	Visteon Corporation	Consumer Discretionary	-15.0%	15.0	12.7	58.3%	260.2%
EXTR	Extreme Networks, Inc.	Information Technology	-47.6%	13.7	32.9	42.0%	-48.2%
			Average = +18.1%	17.9	19.3	80.8%	118.1%
SPY	SPDR S&P 500 ETF Trust		19.4%				
RSP	Invesco S&P 500 Equal Weight		17.1%				
MDY	SPDR S&P MidCap 400 ETF Trust		18.8%				
IWM	iShares Russell 2000 ETF		16.6%				

This portfolio so far is enjoying several big winners, including 3 of the mega-cap market darlings (NVDA, META, NFLX) that are its top performers, easily offsetting a few losers. Other top performers include a mortgage servicer and an insurance firm. Laggards include a networking communications firm, an auto parts company, and a cloud cybersecurity provider.

Most of the companies have met or exceeded their EPS estimates.

So far, the portfolio is slightly underperforming its relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It is *trailing* the S&P 500 by -1.3% pps (gross total return) as of 4/18/24.

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

Latest Q1 2024 Baker's Dozen Model Portfolio

Launch date (1/19/24) through current (4/18/24)

Q1 2024 Baker's Dozen Portfolio				Est. NTM EPS			
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Growth at Launch	Actual EPS Growth
APP	AppLovin Corporation	Information Technology	67.4%	10.8	15.7	114.0%	117.2%
NVDA	NVIDIA Corporation	Information Technology	42.3%	30.4	34.3	125.0%	164.6%
NFLX	Netflix, Inc.	Communication Services	26.4%	31.9	31.8	51.0%	68.6%
PGR	The Progressive Corporation	Financials	23.3%	20.5	19.5	76.5%	144.5%
AMZN	Amazon.com, Inc.	Consumer Discretionary	15.4%	46.6	42.6	72.7%	103.4%
WRB	W. R. Berkley Corporation	Financials	7.7%	13.4	13.6	20.9%	24.7%
NE	Noble Corporation plc	Energy	4.4%	12.7	14.3	85.3%	24.5%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	0.5%	14.3	12.7	105.1%	120.7%
TMUS	T-Mobile US, Inc.	Communication Services	-2.2%	18.0	18.0	24.2%	14.1%
VC	Visteon Corporation	Consumer Discretionary	-7.5%	13.7	12.7	39.7%	212.1%
PVH	PVH Corp.	Consumer Discretionary	-12.0%	10.2	9.7	25.9%	18.9%
ALKS	Alkermes plc	Health Care	-14.8%	12.0	8.8	72.9%	69.8%
OTEX	Open Text Corporation	Information Technology	-15.0%	8.6	7.5	35.3%	30.5%
Average =			+7.9%	18.7	18.6	65.3%	85.7%
SPY	SPDR S&P 500 ETF Trust		3.9%				
RSP	Invesco S&P 500 Equal Weight		2.6%				
MDY	SPDR S&P MidCap 400 ETF Trust		3.5%				
IWM	iShares Russell 2000 ETF		0.5%				

This young portfolio so far has been led by several solid winners, which easily offset a few modest losers. Top performers are from marketing software, semiconductors, entertainment, and insurance, including mega-cap darlings NVDA and NFLX, easing offsetting laggards from information management software, biopharma, and cell phone services.

So far, the portfolio is outperforming all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

It is *beating* the S&P 500 by +4.0 pps (gross total return) as of 4/18/24.

Past performance is no guarantee of future results. Refer to Disclaimer page for other important disclosures.

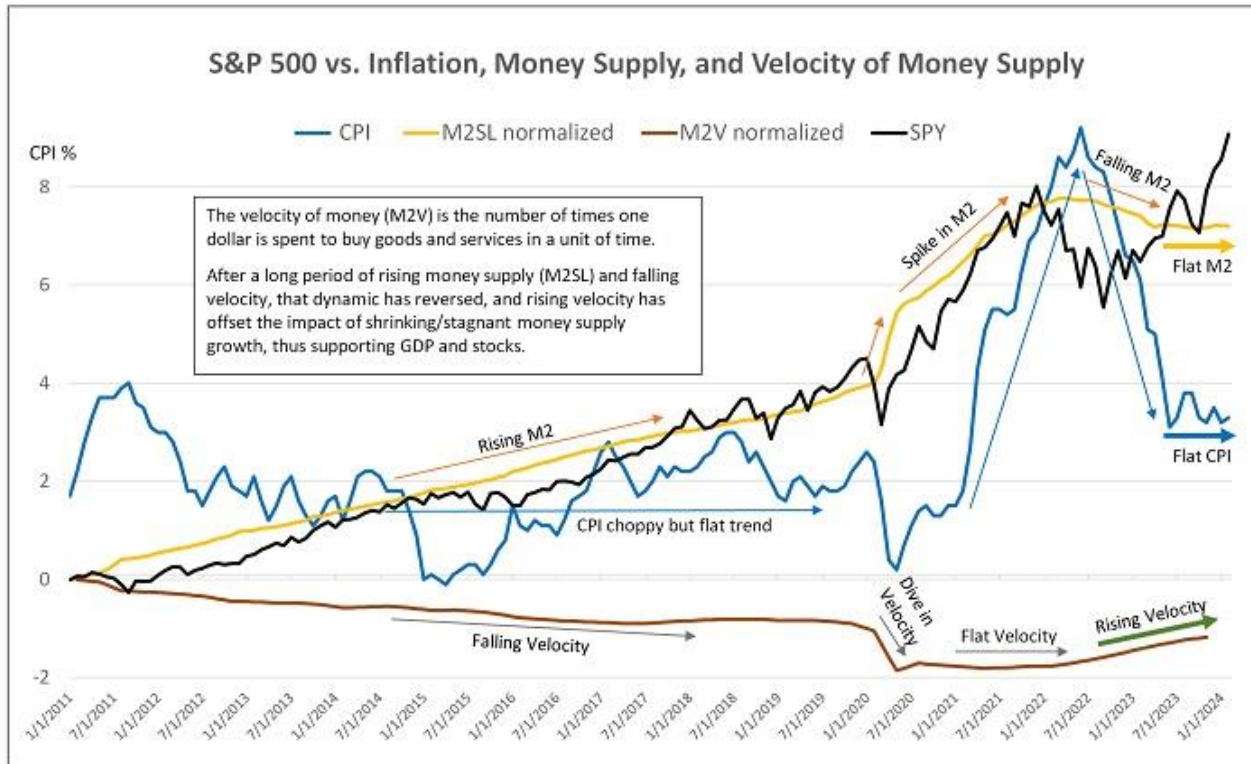
SectorCast Rankings and Top-ranked ETFs

Sabrient SectorCast ETF Rankings (as of 4/19/2024)		
Dow Jones U.S. Sector Index	Tracking ETF	Outlook Score
TECHNOLOGY	IYW	98
FINANCIALS	IYF	62
CONSUMER DISCRETIONARY	IYC	52
CONSUMER STAPLES	IYK	48
INDUSTRIALS	IYJ	48
BASIC MATERIALS	IYM	46
ENERGY	IYE	38
HEALTHCARE	IYH	24
UTILITIES	IDU	21
TELECOMMUNICATIONS	IYZ	17

Sector rankings continue to lean bullish, topped by Technology and with Financials surging into the second spot. Cyclical and secular growth sectors are generally rated higher than defensive sectors. Materials and Energy have risen with oil and commodity price expectations. Despite a high forward P/E (27.2x), Technology remains firmly on top, with rising EPS growth estimates (now +18.4%), positive analyst earnings revisions, the highest return ratios, and strong insider sentiment (open market buying).

Top Ranked Nonleveraged Equity ETFs (as of 4/19/2024)		
Fund Name	Tracking ETF	Outlook Score
Invesco Building & Construction	PKB	100
Invesco Next Gen Media and Gaming	GGME	100
AdvisorShares Vice	VICE	99
Invesco S&P 500 Pure Growth	RPG	99
Innovator IBD 50	FFTY	99
AdvisorShares Gerber Kawasaki	GK	99
iShares Factors US Growth Style	STLG	98
Fidelity Disruptive Communications	FDCF	98
Putnam BDC Income	PBDC	97
Invesco Dorsey Wright Technology Momentum	PTF	97
Invesco S&P MidCap Momentum	XMMO	97
WealthTrusts DBS Long Term Growth	WLTG	97
BNY Mellon Innovators	BKIV	97
Invesco Dorsey Wright Consumer Cyclical Momentum	PEZ	96
ERShares Entrepreneurs	ENTR	96
Pacer Lunt MidCap Multi-Factor Alternator	PAMC	95
iShares Expanded Tech Sector	IGM	95
First Trust Innovation Leaders	ILDR	95
Janus Henderson Small Cap Growth Alpha	ISML	94
Alger 35	ATFV	94
iShares Blockchain and Tech	IBLC	94
WisdomTree US Quality Growth	QGRW	94
VanEck Semiconductor	SMH	93
Innovator IBD Breakout Opportunities	BOU	93

Velocity of Money Supply offsets M2 growth and contraction



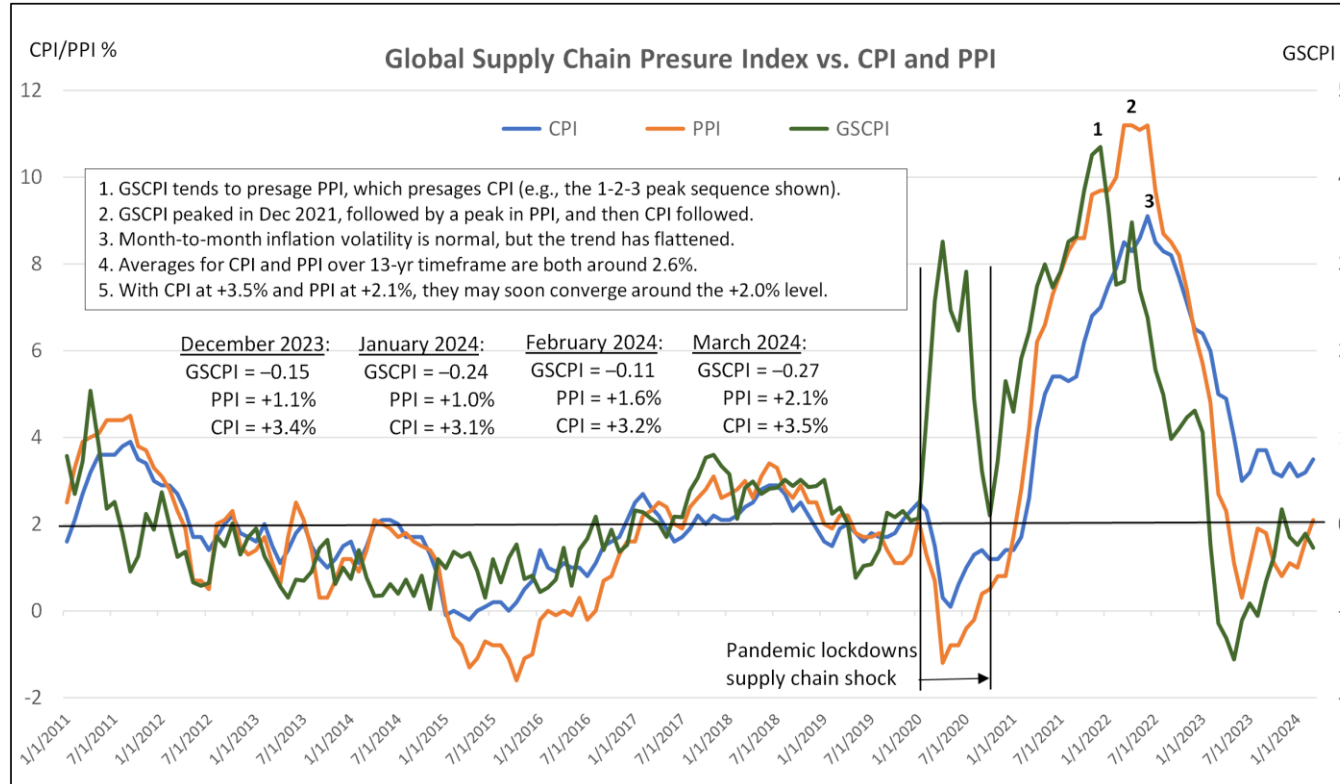
This chart compares movements in the S&P 500, inflation, M2 money supply, and the velocity of money supply since 2011. There was a close correlation between rising money supply and rising equity prices (aka asset inflation) until M2 peaked. Since then, the S&P 500 has round-tripped lower and then higher, back to where it was 2 years ago.

Meanwhile, CPI inflation seemed uncorrelated, oscillating in a trading range (0-4%) even while M2 rose, at least partly because velocity of M2 was falling, which largely offset the impact of M2 growth, even throughout the initial pandemic response when M2 surged and velocity plunged. Much of the new money was simply going into bank reserves and personal savings and investments.

But when velocity stabilized while M2 continued to surge higher, inflation soon followed M2 higher. You can see that stocks peaked right around the same time that money supply peaked, and then inflation peaked shortly thereafter.

As M2 has receded, velocity has increased, offsetting the negative effects of shrinking money supply so that GDP has avoided recession and stocks have recovered while inflation falls back towards its historical range. A return to modest money supply growth may be appropriate for balancing both economic growth and inflation moderation.

As supply chain pressures remain subdued, inflation shrinks



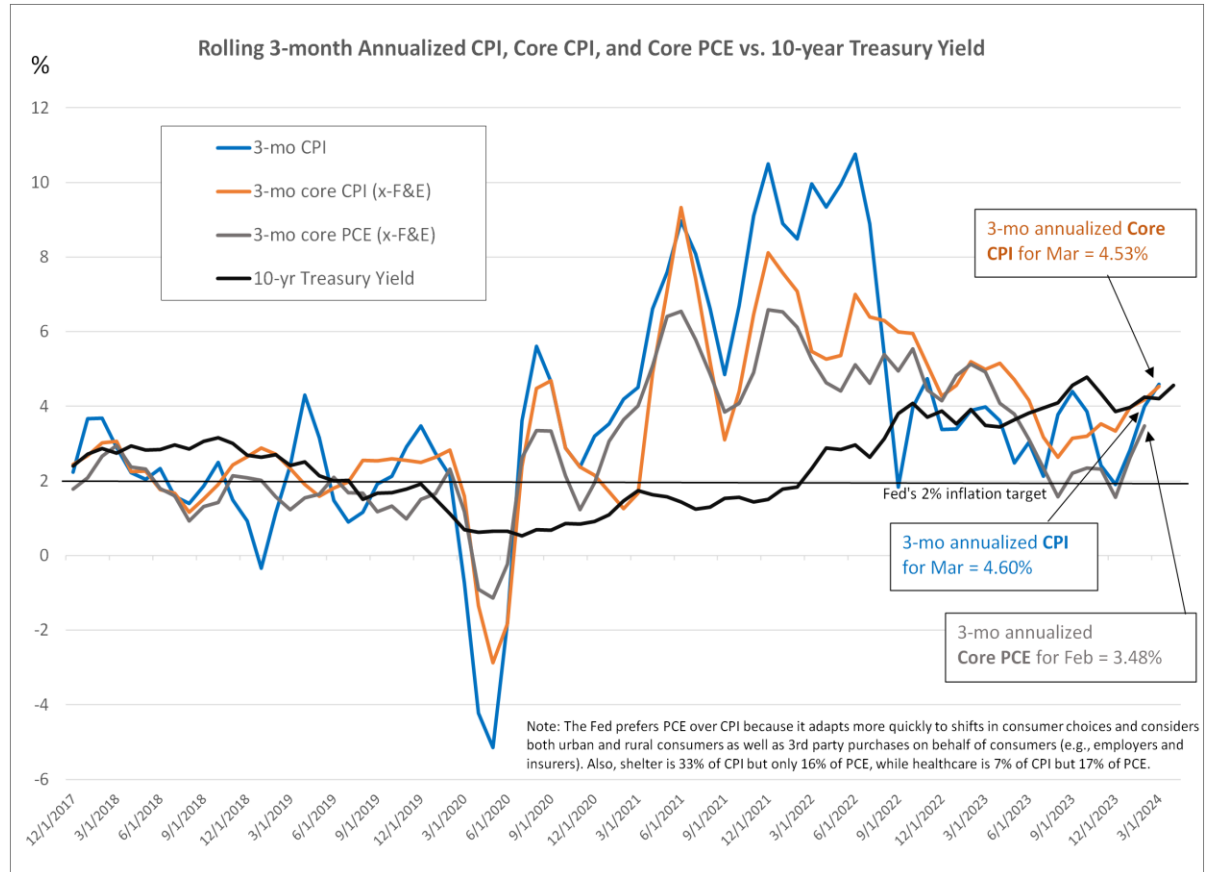
Movement, peaks, and troughs in GSCPI tend to presage PPI, which in turn presages CPI, each with a slight lag. PPI, CPI, and GSCPI all surged when COVID lockdowns were instituted and M2 money supply surged, and all 3 fell precipitously once supply chains rapidly recovered while M2 crested and interest rates surged, creating increased supply and less demand.

GSCPI peaked in Dec 2021 (at an all-time high of +4.31), followed by M2, PPI, and CPI a few months later. It then plummeted to a deeply *negative* May 2023 level of -1.57. Recently, GSCPI, CPI, and PPI have been consolidating, but inflation likely will continue to slide toward the Fed's 2% target as long as GSCPI remains at or below its historical average (zero line), particularly as the demand side remains constrained by stagnant money supply, elevated interest rates, and slowing wage growth.

Long-term averages for both CPI and PPI are 2.6%. Current real-time blockchain-based "Truflation," which historically leads CPI by several months, is 2.0%.

Current inflation trend based on 3-month annualized averages

Data through March 2024 (except PCE)



Because the Fed can do little about energy and food prices, we think it is best to focus on core inflation (excluding food & energy). Also, we compute **3-month rolling annualized** since it better reflects the current trend. Core CPI and PCE have fallen dramatically from their highs while 10-year Treasury yield has risen, lifting *real* yields (great for savers, bad for borrowers—and we are a highly indebted society).

As shown, 3-mo annualized **headline CPI** fell to a post-pandemic-recovery low of +1.90% in July but has shown resurgence, mainly due to shelter costs (33% of CPI but only 17% of PCE). But there is a long lag between the shelter data used in CPI calculation and current prices.

In December, 3-mo annualized **headline CPI** came in at only **+1.79%** and **Core CPI +3.33%**, while the Fed's preferred metric **Core PCE** showed a 3-mo annualized average of **+2.16%**.

Since then, inflation readings have ticked up. Although year-over-year Core PCE is only +2.78%, 3-mo annualized Core PCE in February was **+3.48%**. March will be out soon. Core CPI in March was **+4.53%**, and headline CPI **+4.60%**, largely reflecting first-of-year resets in services prices like insurance premiums and restaurant menus.

Investors will want to see the real-time **"Truflation"** metric (currently **+2.0%**) to be accurate.

Market Observations & Outlook

1. 3-month annualized inflation is choppy and is now above its pre-pandemic range, which has worried the Fed and spooked investors. However, it should continue to recede given that supply chain pressures are subdued, money supply growth is stagnant, interest rates remain elevated, and the wage growth rate is falling. Indeed, the Fed still recognizes lag effects are manifesting quickly. The blockchain-based, real-time “Truflation” metric is at +2.0%.
2. High valuations on major indexes are primarily driven by a few mega-cap Tech names, e.g., the AI-oriented “Magnificent Seven” (MAG7). Minus those, valuations across the broad market are more reasonable. To illustrate, forward P/E on QQQ is 26.9x and SPY is 20.6x, but equal-weight S&P 500 (RSP) is 16.6x and S&P 600 small caps (SPSM) is just 13.7x, as of 4/18/24.
3. It appears the anticipated (and needed) market pullback has arrived. Although large-cap Tech still seems poised for strength, we expect continued broadening of market leadership into small caps, value, quality, high dividend, and equal-weight bodes well for market health.
4. The passive indexes, although still strong, may be at the point at which investors are better served by active stock selection that seeks to identify under-the-radar and undervalued gems primed for explosive growth. This should be **favorable for Sabrient’s portfolios** combining Value, Quality, and Growth factors and exposure to both secular and cyclical growth trends.

=> I discuss all of this in greater detail in my market commentaries

Resources

1. Latest Baker's Dozen slide deck and holdings report

- Go to: bakersdozen.sabrient.com/bakers-dozen-marketing-materials

2. Sector Detector newsletter/blog post

- Go to sign-up box at: sabrient.com home page => Please email me your comments!

3. Quarterly Baker's Dozen mailing list

- Send email request to: support@Sabrient.com

4. SmartSheets for Stocks and ETFs (screening/ranking tool)

- Go to: sabrientsystems.com/sabrient-smartsheets => I'd love to hear your feedback!

Proposal: QES Quality Index Series (for ETF licensing)

The Quantitative Equity Solutions* (QES) Quality Index Series comprises 5 broad-market and 5 sector-specific, rules-based, quarterly rebalanced, strategic beta and thematic indexes for ETF licensing (the 5 timeliest are **highlighted**):

1. **Sabrient High-Quality Growth Index** (similar to *Baker's Dozen* quant prescreen)
2. **Sabrient High-Quality Value Index** (50 stocks)
3. **Sabrient SMID Quality Plus Momentum Index** (40 stocks)
4. **Sabrient Quality Growth Plus Income Index** (solid growth with high dividend yield of 4-5%, 25 stocks)
5. **Sabrient Defensive Equity Portfolio** (for tumultuous market conditions, 50 stocks)
6. **Sabrient Earnings Quality Leaders Index** (50 stocks)
7. **Sabrient High-Quality Technology Index** (aka Best of InfoTech, for a broadening market, 50 stocks)
8. **Sabrient High-Quality Healthcare Index** (aka Best of Healthcare, 25 stocks)
9. **Sabrient High-Quality Energy Index** (aka Best of Energy, 25 stocks)
10. **Sabrient Quality Legacy & Green Energy Index** (25 stocks)

If you are interested in any of these concepts, please tell your favorite ETF wholesaler!

Plus: **Sabrient Space Exploration & Sustainability Portfolio** (leverages Sabrient founder David Brown's NASA Apollo 11 pedigree, 30 stocks)

Disclaimer

© Copyright 2024 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.

This information is neither a solicitation to buy nor an offer to sell securities, and it is not intended as investment advice. Information contained herein reflects our judgment or interpretation at the time of publication and is subject to change without notice.

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 for information purposes only and should not be used as the basis for any investment decision. SABRIENT disclaims liability for damages of any sort (including lost profits) arising out of the use of or inability to use this document.

Back-tested, hypothetical, or simulated performance results have inherent limitations as they are based on retroactive application of a rules-based model designed with the benefit of hindsight. All figures shown are based on gross returns, without considering the impacts of trading costs, slippage, fees, or taxes. Hypothetical backtest results are neither an indicator nor a guarantee of future returns. Actual results will vary from the analysis.

References to market indexes, benchmarks or other measures of relative market performance over a specified period of time are provided for information only. Reference to an index does not imply that the SABRIENT model portfolio will achieve returns, volatility or other results similar to the index. The composition of a benchmark index may not reflect the manner in which a SABRIENT model portfolio is constructed in relation to expected or achieved returns, investment holdings, portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time.

Past performance is no guarantee of future results. Investment returns will fluctuate, and principal value may either rise or fall.

The information contained herein reflects only the opinions of SABRIENT and includes forward-looking statements subject to a number of uncertainties that could cause actual results to differ materially from the statements made.