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Sabrient leverages a process-driven methodology to build robust quantitative models and produce actionable equity research, investor tools, stock & ETF rankings, derived data sets, stock portfolios, and rules-based indexes to help investors seek to outperform market benchmarks.

Portfolio Update and Market Outlook

Baker's Dozen - Dividend - Small Cap Growth – Forward Looking Value

1. *Summary talking points for advisors and investors*
2. *Market observations & outlook*
3. *Company overview and our enhanced portfolio selection process*
4. *Performance update*
5. *Overview of the latest Q1 2025 Baker's Dozen*
6. *Founder David Brown's new <u>book</u> describing his 4 core investing strategies … and the Sabrient Scorecards companion product*

Updated 4/3/2025

Scott Martindale
President & CEO
(former Chevron engineer)

David Brown
Founder & Chief Market Strategist
(former NASA engineer on Apollo 11 moon landing)

Summary Talking Points

1. Sabrient leverages a **process-driven methodology** developed by former engineers and forensic accountants to build quantitative, fundamentals-based, multifactor models and a "*quantamental*" (quantitative screen plus fundamental review & selection) approach. Sabrient founder **David Brown unveils it all in his** new book, *How to Build High Performance Stock Portfolios* (on **Amazon**).

2. The vast majority of Sabrient portfolios created **since major process enhancements** were implemented in December 2019 have outperformed or stayed close to their benchmarks (gross total return), despite narrow market breadth dominated by the Big Tech mega-caps that have made the cap-weighted S&P 500 (SPY) hard to beat. Portfolios include:
*Baker's Dozen***, Dividend, Small Cap Growth, and Forward Looking Value**.

3. The latest **Q1 2025** *Baker's Dozen* launched on 1/17 with 13 concentrated positions across large/mid caps (7/6) and with a 5/8 split between value/growth. It is still in primary market and offers a solid and diverse group of stocks for the Trump 2.0 economy. Baker's Dozen is designed to provide the potential for outsized gains—for example, the Q1 2024 portfolio is up **+66%** thru 4/2 (see slide 13).

4. The annual **Forward Looking Value 12** launched on 7/31. It is a less-concentrated and more value-oriented version of our *Baker's Dozen*.

5. The latest **Small Cap Growth 45** launched on 1/22. It provides an alpha-seeking alternative to a passive position in the Russell 2000 for small-cap exposure as business-friendly fiscal policies and a supportive Fed create lead to better market breadth.

6. The latest **Dividend 51** launched on 2/11. It employs a GARP & Income strategy that seeks capital appreciation from quality companies with a solid growth history and reliable dividends. It pays a current yield of 3.8%.

7. A key proprietary alpha factor is our Earnings Quality Rank (EQR), an accounting-based risk assessment signal used in all our portfolio strategies. It is also licensed as a prescreen to the **First Trust Long-Short ETF (FTLS)**, an absolute return portfolio.

8. The wild card for stocks is uncertainty (severity and duration) of tariffs, which seem designed to induce a swift resolution. But even with volatility and a larger correction during H1, assuming rational heads prevail, stocks should recover in H2 with greater market breadth.

9. Rather than the passive cap-weighted indexes dominated by Big Tech, **investors may be better served by active stock selection** that seeks to identify under-the-radar and undervalued gems primed for explosive growth. *This is what Sabrient seeks to do in our various portfolios*, all of which provide exposure to Value, Quality, Growth, and Size factors and to both secular and cyclical growth trends.

David Brown's new book on his Investing Strategies
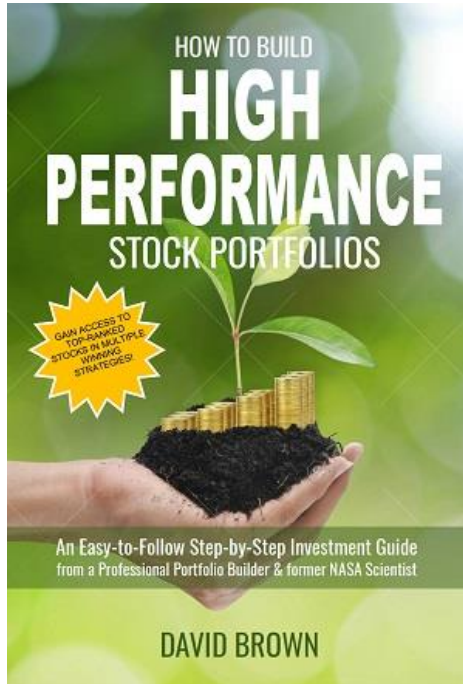
Sabrient founder David Brown's new book, *How to Build High Performance Stock Portfolios*, is now available on Amazon.com. Here is the link to buy: **https://www.amazon.com/dp/B0DGWCJGR1**
(or simply paste that final identifier code into the search on your Amazon mobile app)

David has written a number of other books through the years. In this one, he describes his path from NASA engineer on the Apollo 11 moon landing project to building quant models for stock rankings. But the book's main goal is to share David's approach to creating stock portfolios for **four key investing styles—Growth, Value, Dividend, and Small Cap Growth**—which serve as the underlying strategies for Sabrient's *Baker's Dozen, Forward Looking Value, Dividend, and Small Cap Growth* portfolios.

Our "Next-Gen" Sabrient Scorecards:

You also are invited to access the next generation of our "Sabrient Scorecard for Stocks," which provides a weekly Top 30 stocks list for each of those four key investing strategies (using their underlying quant models). You can also paste your own list of tickers on the Score Your Own Stocks tab to monitor their alpha-factor scores.

I invite you to take advantage of the **Free Download** offer for the stock scorecard.

As a bonus, we provide a weekly "Sabrient Scorecard for ETFs" with the Top 30 ETFs based on our SectorCast Outlook Score, plus access to the Full Universe of scores for roughly 1,400 equity ETFs.

Both scorecards are quite user friendly for anyone with a basic knowledge of Excel. You can easily sort a list by a given alpha factor, or weight factors to your preferences and then sort the list by Weighted Score.

Learn more about the book and new Sabrient Scorecards at: **http://DavidBrownInvestingBook.com**

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Market Observations & Outlook - 1/2

1. GDP and jobs growth have been over-reliant on government spending and its relatively inefficient use of capital compared with organic private sector growth. Inflation has ticked up lately but should soon resume its disinflationary trend. Economic indicators are weakening, unemployment is elevated (above 4.0%), and the federal debt and budget deficit have surged. Relatively tight monetary policy, rising bond yields and mortgage rates, and a strong dollar have hurt US consumers, small businesses, and the global economy.

2. Allowing elevated inflation in the 2-3% range can help "inflate away" the large federal debt as part of a 3-pronged plan in conjunction with cutting federal deficit spending and implementing fiscal & monetary policies that support robust private sector organic growth—leading to rising productivity, margins, earnings, jobs, wages, GDP—and tax receipts (which since 1960 have averaged 17% of GDP no matter the tax rate). Private enterprise is much better at efficient capital allocation than government bureaucrats.

3. The Fed remains behind the curve despite cutting rates 100 bps. A terminal fed funds rate of 3.25-3.50% seems appropriate (vs. today's 4.25-4.50%). Bond yields surged in January (10-year at 4.8%) on investor fears of resurgent inflation and a credit crisis from massive federal debt and deficit, but the 10-year has since receded below 4.2%—signaling to the Fed cuts are needed. The US dollar remains strong, but the administration wants lower rates and a weaker dollar to support the economy, allow other central banks to inject liquidity, avert a global recession and credit crisis, and relieve indebted consumers and businesses.

4. Despite the market correction, lofty valuations on cap-weight indexes remain. But minus Big Tech titans, valuations are more reasonable. To illustrate, forward P/E on cap-weight Nasdaq 100 (QQQ) is 24.3x and S&P 500 (SPY) is 20.9x, but equal-weight Nasdaq 100 (QQQE) is 22.0x and S&P 500 (RSP) is 16.7x, while S&P 600 small-cap (SPSM) is just 14.4x, as of 4/2. Small cap versus large cap valuations remain extreme.

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Market Observations & Outlook - 2/2

5. Signs of improving market breadth and rotation away from Big Tech bodes well for market health, as does the several trillion dollars still sitting defensively in money market funds, capital flight into the US, and tight credit spreads—despite high valuations and extreme expectations for Gen AI. The biggest wild card is Trump's trade war and draconian tariff plan, which seems designed to induce a swift resolution. But even with today's volatility and a larger correction during H1—and assuming rational heads prevail—stocks should recover before year end, given business-friendly fiscal policies and a supportive Fed that are designed to supercharge the economy by unleashing the private sector and reducing reliance on government spending.

6. At the core of an equity portfolio still should be US large-cap Technology stocks, given their disruptive innovation, huge cash positions, strong earnings growth, free cash flow, margins, global scalability, and wide protective moats. But a broadening market should create investment opportunities in small and mid-caps, value, quality, high-dividend, cyclical industries, and equal-weight indexes, including market segments like industrials, defense, transports, travel, homebuilders, banks, insurers, energy, healthcare, biotech, and REITs. Also, gold and bitcoin should have a place in a diversified portfolio as hedges.

7. Rather than investing in the passive cap-weighted indexes, which display high valuations and extreme divergences in performance and valuation, investors may be better served by active stock selection that seeks to identify under-the-radar, undervalued, high-quality gems primed for explosive growth. This is what Sabrient seeks to do in our various portfolios, all of which provide exposure to Value, Quality, Growth, and Size factors and to both secular and cyclical growth trends.

=> *All this is discussed in greater detail in our "Sector Detector" market commentaries at Sabrient.com.*

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Company Overview

➢ **Sabrient Systems LLC:**

- Independent equity research provider and SEC-registered RIA founded in 2000

- Quantitative fundamentals-based multifactor models created by:

  ✓ team of engineers and analysts led by founder David Brown, a former **NASA** engineer on the Apollo 11 moon landing project, and CEO Scott Martindale, a former **Chevron** engineer

  ✓ team of forensic accounting specialists from Gradient Analytics, a wholly owned Sabrient subsidiary

- Process-driven, bottom-up methodology leveraging a scientific hypothesis-testing approach to model development

- 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**

- 8 core proprietary multi-factor models, including the *Earnings Quality Rank (EQR)*, an accounting-based risk signal designed by subsidiary Gradient Analytics and used internally for Sabrient portfolios. It is also licensed to hedge funds and to the **First Trust Long-Short ETF (FTLS)**.

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Our "Quantamental" Approach

1. <u>Quanti</u>tative screen to narrow large eligible universe (50-100 names)

Forward P/E, forward EPS growth, recent dynamics of analyst consensus estimates, earnings quality (based on expertise of subsidiary Gradient Analytics), consistency & reliability of earnings growth

2. <u>Fundamental</u> 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).

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Sabrient Portfolios: leveraging the "quantamental" approach

➢ **Q1 2025 Baker's Dozen** (quarterly, 13 stocks) launched 1/17/25

⇒ *Our flagship product is a concentrated, all-cap, alpha-seeking portfolio that balances value/cyclical growth with high-quality secular growers.*

⇒ The next Q2 2025 Baker's Dozen launches on 4/17/25.

➢ **Small Cap Growth 45** (quarterly, 50 stocks) launched 1/22/25

⇒ *Alpha-seeking alternative to the passive Russell 2000 for small cap exposure.*

⇒ *Poised to benefit from improving market breadth and rotation to small-mid caps*

➢ **Dividend 51** (quarterly, 50 stocks) launched 2/11/25

⇒ *High-quality GARP + Income portfolio; Current Yield of 3.8%*

➢ **Forward Looking Value 12** (annual, 33 stocks) launched 7/31/24

⇒ *Less-concentrated and more value-oriented version of the Baker's Dozen.*

Latest Q1 2025 *Baker's Dozen* Portfolio – statistics upon launch

Launch date: 1/17/25

Ticker	Company Name	Sector	Industry	Mkt Cap ($B)	NTM EPS Growth	Fwd PE	Fwd PEG	Div Yield	EQR	GQR
AMD	Advanced Micro Devices	Information Technology	Semiconductors	192.2	48.6%	26.6	0.55	0.0%	3	4
AMZN	Amazon.com	Consumer Discretionary	Broadline Retail	2,320.2	25.5%	37.7	1.48	0.0%	5	10
COOP	Mr. Cooper Group Inc.	Financials	Mortgage Finance	6.5	34.1%	8.1	0.24	0.0%	NA	9
DAL	Delta Air Lines	Industrials	Passenger Airlines	42.4	23.3%	8.7	0.37	0.9%	4	9
DBX	Dropbox	Information Technology	Application Software	9.4	11.7%	11.9	1.03	0.0%	5	10
FIX	Comfort Systems USA	Industrials	Construction and Engineering	17.9	25.6%	30.8	1.20	0.3%	4	10
FTI	TechnipFMC plc	Energy	Oil & Gas Equipment and Services	13.9	29.5%	17.6	0.60	0.6%	4	7
HALO	Halozyme Therapeutics	Health Care	Biotechnology	7.0	24.0%	11.8	0.49	0.0%	5	8
MRK	Merck & Co.	Health Care	Pharmaceuticals	254.7	44.5%	11.7	0.26	3.2%	3	9
PINS	Pinterest	Communication Services	Interactive Media and Services	20.5	18.8%	18.0	0.96	0.0%	5	10
RCL	Royal Caribbean Cruises	Consumer Discretionary	Hotels, Resorts and Cruise Lines	62.7	20.2%	17.0	0.84	0.9%	3	9
SQ	Block	Financials	Payment Processing Services	53.5	34.7%	20.6	0.59	0.0%	NA	6
TSM	Taiwan Semiconductor	Information Technology	Semiconductors	869.9	31.9%	23.1	0.73	0.0%	4	10
Average:				297.8	28.6%	18.7	0.65	0.5%	4.1	8.5

- Large/Mid cap mix of 7/6 (no small caps)
- 5 Value and 8 Growth stocks
- 8 *secular* growth and *noncyclicals* from Semiconductors, Biotech, Pharma, Comm Services, Payments, Software, eCommerce … balanced with 5 *cyclical growth* from Travel, Oil & Gas, Construction, Mortgage Finance

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

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

(16 years: 1/1/2009 inception thru 3/31/2025, 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%
2024	73.3%	24.5%
1Q2025	-10.3%	-4.3%

Gross Performance – 16¼ years

Statistics	2009-1Q2025
Annualized Return	18.7%
Average SPY	14.0%
Excess over SPY	4.7%
Standard Deviation	23.0%
Sharpe	0.82
Alpha	2.00
Beta	1.25

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).

— Sabrient Bakers Dozen (Gross)   — S&P 500

(1) 1Q2009: Launched during final down leg of Global Financial Crisis (-35% drawdown)

(2) Mid-2011: European sovereign debt crisis and US credit downgrade (-28% drawdown)

(3) 2H2015: China growth issues and deval, Fed policy (only FAANG worked) (-26% drawdown)

(4) 2H2018: Trade war caused defensive rotation (-30% drawdown)

(5) 1H2020: COVID-19 impact (-37% drawdown)

(6) 2022: Inflation, war, rising rates (-26% drawdown)

UIT launch
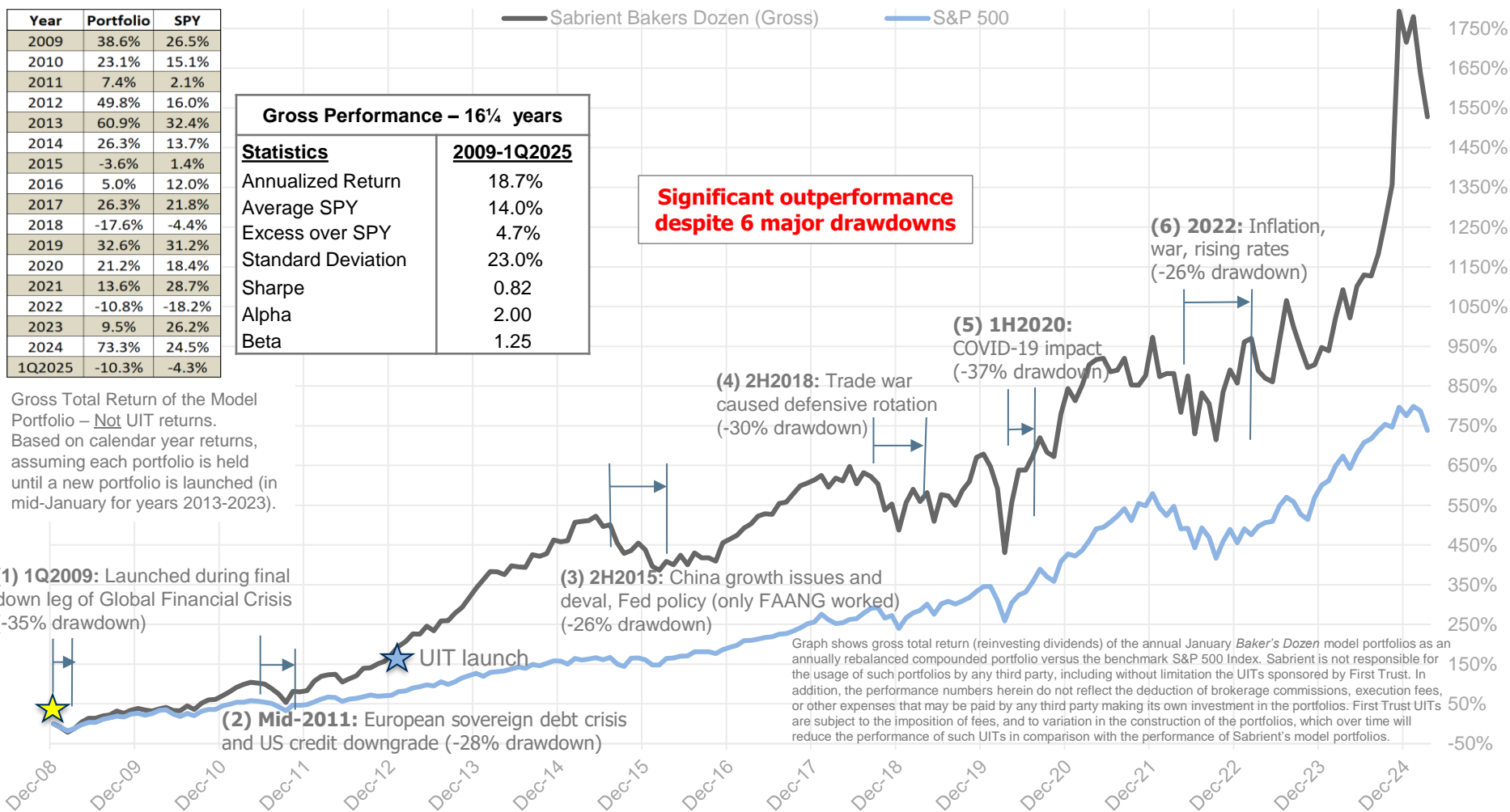
Graph shows gross total return (reinvesting dividends) of the annual January *Baker's Dozen* model portfolios as an annually rebalanced compounded portfolio versus the benchmark S&P 500 Index. Sabrient is not responsible for the usage of such portfolios by any third party, including without limitation 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.

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Performance of live and recently terminated portfolios – as of 4/2/2025

Baker's Dozen - Gross return thru: 4/2/2025

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%
Q4 2022 BD	10/20/22	1/22/24	-5.3%	34.9%	-40.2%
Q1 2023 BD	1/20/23	4/22/24	1.0%	28.5%	-27.6%
Q2 2023 BD	4/20/23	7/22/24	35.2%	37.1%	-1.8%
Q3 2023 BD	7/20/23	10/21/24	24.0%	31.3%	-7.3%
Q4 2023 BD	10/20/23	1/21/25	46.2%	45.6%	0.6%
Q1 2024 BD	1/19/24		65.8%	18.9%	46.9%
Q2 2024 BD	4/19/24		6.8%	15.5%	-8.7%
Q3 2024 BD	7/19/24		14.4%	3.8%	10.6%
Q4 2024 BD	10/18/24		-5.2%	-2.8%	-2.4%
Q1 2025 BD	1/17/25		-11.3%	-5.2%	-6.0%

Forward Looking Value - Gross return thru: 4/2/2025

Portfolio	Launch	Close	Gross Return	SPYV Return	Active
FLV 10	7/15/22	10/24/23	24.0%	12.4%	11.6%
FLV 11	7/24/23	11/4/24	20.8%	20.3%	0.6%
FLV 12	7/31/24		-5.7%	2.0%	-7.7%

Sabrient Dividend - Gross return thru: 4/2/2025

Portfolio	Launch	Close	Gross Return	FGD Return	Active
Div 36	6/22/21	6/22/23	7.0%	-7.5%	14.4%
Div 37	9/20/21	9/20/23	21.3%	-1.8%	23.1%
Div 38	12/20/21	12/20/23	15.3%	0.9%	14.4%
Div 39	3/18/22	3/18/24	5.0%	-0.4%	5.4%
Div 40	6/15/22	6/14/24	21.3%	10.3%	11.0%
Div 41	9/12/22	9/12/24	12.0%	24.6%	-12.6%
Div 42	12/9/22	12/9/24	22.1%	20.4%	1.7%
Div 43	3/8/23	3/7/25	25.5%	20.4%	5.1%
Div 44	6/5/23		38.6%	26.3%	12.3%
Div 45	9/1/23		25.2%	24.5%	0.7%
Div 46	11/29/23		19.6%	23.5%	-3.9%
Div 47	2/26/24		9.7%	17.4%	-7.7%
Div 48	5/23/24		9.0%	10.7%	-1.7%
Div 49	8/19/24		0.5%	6.7%	-6.2%
Div 50	11/15/24		-7.3%	6.6%	-13.9%
Div 51	2/11/25		-0.6%	5.3%	-5.9%

Small Cap Growth - Gross return thru: 4/2/2025

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	5/10/24	3.5%	9.2%	-5.8%
SCG 38	5/8/23	8/8/24	23.1%	20.8%	2.3%
SCG 39	8/7/23	11/7/24	16.1%	23.8%	-7.7%
SCG 40	11/3/23	2/3/25	29.8%	30.3%	-0.5%
SCG 41	2/1/24		7.7%	5.1%	2.6%
SCG 42	5/1/24		-3.0%	4.4%	-7.4%
SCG 43	7/29/24		-9.2%	-7.8%	-1.4%
SCG 44	10/25/24		-7.2%	-6.9%	-0.3%
SCG 45	1/22/25		-9.6%	-11.0%	1.4%

The tables show gross total returns (without transactional sales charge, as displayed on the ftportfolios.com website) vs. the most relevant benchmark for all the live portfolios plus those that recently terminated. SPDR S&P 500 Value (SPYV) is the benchmark for Forward Looking Value and First Trust Dow Jones Global Select Dividend Index Fund (FGD) is benchmark for Dividend portfolios.

The vast majority (66%) of portfolios created since enhancements were implemented in December 2019 have either outperformed or stayed close to their benchmarks. Next to terminate is Q1 2024 Baker's Dozen, which is **up +65.8%** since 1/19/24 inception compared to S&P 500's +18.9%, as of 4/2/25, illustrating the outperformance potential.

Worst performers were the Q4 2022 and Q1 2023 Baker's Dozens, which greatly underperformed the S&P 500 mainly due to extreme sector "tilts" away from the benchmark allocations that didn't pan out (*overweight* in Energy and *underweight* in Technology). Since then, we have avoided such sector bets.

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Q4 2023 *Baker's Dozen* Model Portfolio – terminated

Launch date (10/20/23) through termination (1/21/25)

Q4 2023 Baker's Dozen Portfolio

Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Est. NTM EPS Growth at Launch	Actual EPS Growth
NVDA	NVIDIA Corporation	Information Technology	240.3%	28.1	25.4	15.6%	130.7%
NFLX	Netflix, Inc.	Communication Services	116.9%	26.7	39.2	50.3%	65.1%
META	Meta Platforms, Inc.	Communication Services	99.7%	18.8	26.1	11.6%	60.5%
COOP	Mr. Cooper Group Inc.	Financials	92.7%	6.9	8.4	5.1%	41.3%
EXEL	Exelixis, Inc.	Health Care	72.6%	16.2	16.8	43.0%	125.6%
TRV	The Travelers Companies, Inc.	Financials	48.0%	9.9	14.6	26.3%	64.4%
DTE	DTE Energy Company	Utilities	28.2%	13.9	19.1	21.2%	19.2%
ALKS	Alkermes plc	Health Care	11.4%	14.3	18.4	32.2%	104.9%
CHX	ChampionX Corporation	Energy	-7.0%	15.6	15.9	29.6%	6.5%
EXTR	Extreme Networks, Inc.	Information Technology	-16.4%	12.9	17.1	36.8%	-90.9%
RPD	Rapid7, Inc.	Information Technology	-20.5%	28.9	16.0	13.5%	45.5%
WFRD	Weatherford International plc	Energy	-21.2%	17.0	9.0	-2.8%	19.7%
VC	Visteon Corporation	Consumer Discretionary	-31.4%	14.0	9.9	-49.4%	-39.2%
		Average =	**46.2%**	**17.2**	**18.2**	**17.9%**	**42.6%**
SPY	SPDR S&P 500 ETF Trust		45.6%				
RSP	Invesco S&P 500 Equal Weight		35.5%				
MDY	SPDR S&P MidCap 400 ETF Trust		39.7%				
IWM	iShares Russell 2000 ETF		40.2%				

This portfolio enjoyed several big winners, led by 3 of the mega-cap market darlings (NVDA, META, NFLX), easily offsetting some losers. Other top performers include a mortgage servicer and a biotech (oncology).

Laggards included a networking communications firm, an auto parts company, a cloud cybersecurity provider, and 2 oil & gas services firms.

Most of the companies met or exceeded their EPS estimates— even laggards VC and RPD, which have sold off due to reduced forward guidance.

The portfolio outperformed the SPY as well as other relevant large cap, mid-cap, and small-cap benchmarks (gross total return).

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Q1 2024 *Baker's Dozen* Model Portfolio

Launch date (1/19/24) through current (4/2/25)

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	605.9%	11.3	34.0	114.0%	186.2%
NFLX	Netflix, Inc.	Communication Services	93.7%	32.1	37.6	50.7%	65.1%
NVDA	NVIDIA Corporation	Information Technology	85.7%	29.3	24.6	124.2%	130.7%
PGR	The Progressive Corporation	Financials	68.7%	20.5	18.1	76.5%	128.3%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	68.3%	14.3	14.2	102.7%	76.5%
TMUS	T-Mobile US, Inc.	Communication Services	63.1%	18.0	24.9	24.2%	27.1%
WRB	W. R. Berkley Corporation	Financials	42.5%	13.2	16.1	20.9%	25.7%
AMZN	Amazon.com, Inc.	Consumer Discretionary	26.2%	46.1	31.2	72.7%	90.7%
ALKS	Alkermes plc	Health Care	17.0%	12.0	17.8	72.9%	104.9%
VC	Visteon Corporation	Consumer Discretionary	-32.2%	13.8	9.2	39.7%	-39.2%
OTEX	Open Text Corporation	Information Technology	-34.2%	8.5	7.1	35.3%	1.8%
PVH	PVH Corp.	Consumer Discretionary	-35.4%	10.0	6.2	25.9%	9.5%
NE	Noble Corporation plc	Energy	-40.6%	12.8	15.9	85.3%	26.2%
		Average =	65.8%	18.6	19.8	65.0%	64.1%
SPY	SPDR S&P 500 ETF Trust		18.9%				
RSP	Invesco S&P 500 Equal Weight		14.5%				
MDY	SPDR S&P MidCap 400 ETF Trust		10.5%				
IWM	iShares Russell 2000 ETF		6.8%				

This portfolio has been led by 4 big winners—most notably AI-driven marketing software firm AppLovin, as well as mega-cap market darling NVIDIA (dominant in AI chips), entertainment powerhouse Netflix, and a major cruise line.

They offset laggards from oil & gas, information management software, biopharma, retail apparel manufacturing, and auto parts.

The portfolio has greatly outperformed all relevant large cap, mid-cap, and small-cap benchmarks including both cap-weight and equal-weight by a wide margin (gross total return).

This portfolio also illustrates the power of having a few big winners within a concentrated portfolio.

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Q2 2024 *Baker's Dozen* Model Portfolio

Launch date (4/19/24) through current (4/2/25)

Q2 2024 Baker's Dozen Portfolio

Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Est. NTM EPS Growth at Launch	Actual EPS Growth
NFLX	Netflix, Inc.	Communication Services	68.6%	34.9	37.6	45.5%	65.1%
PPC	Pilgrim's Pride Corporation	Consumer Staples	54.6%	11.4	10.5	84.4%	220.7%
NVDA	NVIDIA Corporation	Information Technology	45.0%	34.3	24.6	90.3%	130.7%
SQSP	SquareSpace, Inc.	Information Technology	35.0%				
USFD	US Foods Holding Corp.	Consumer Staples	34.1%	16.0	17.5	18.5%	20.2%
WRB	W. R. Berkley Corporation	Financials	30.1%	13.6	16.1	20.8%	25.7%
HMN	Horace Mann Educators Corporation	Financials	24.0%	11.1	11.4	98.9%	97.5%
GM	General Motors Company	Consumer Discretionary	14.4%	4.7	4.2	18.7%	38.2%
AMZN	Amazon.com, Inc.	Consumer Discretionary	12.2%	43.6	31.2	41.7%	90.7%
JAMF	Jamf Holding Corp.	Information Technology	-32.0%	33.9	15.3	76.3%	51.6%
RPD	Rapid7, Inc.	Information Technology	-38.1%	20.4	15.5	38.8%	45.5%
NE	Noble Corporation plc	Energy	-44.3%	14.3	15.9	72.8%	26.2%
CE	Celanese Corporation	Materials	-62.8%	13.6	10.6	27.6%	-6.4%
		Average =	6.8%	21.0	17.5	52.9%	67.1%
SPY	SPDR S&P 500 ETF Trust		15.5%				
RSP	Invesco S&P 500 Equal Weight		11.2%				
MDY	SPDR S&P MidCap 400 ETF Trust		6.5%				
IWM	iShares Russell 2000 ETF		6.1%				

This portfolio so far has been led by several solid winners, which have only partially offset a few big losers. Top performers are powerhouse mega-caps Netflix and NVIDIA, plus two packaged foods firms and a software infrastructure firm (that was acquired).

Laggards include companies from oil & gas, specialty chemicals, and cloud cybersecurity infrastructure.

So far, the portfolio is underperforming its large cap benchmarks but is ahead of relevant mid and small cap indexes (gross total return).

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Q3 2024 *Baker's Dozen* Model Portfolio

Launch date (7/19/24) through current (4/2/25)

Q3 2024 Baker's Dozen Portfolio

Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Est. NTM EPS Growth at Launch	Actual EPS Growth
CRS	Carpenter Technology Corporation	Materials	57.0%	21.2	24.4	50.2%	87.5%
NFLX	Netflix, Inc.	Communication Services	47.7%	33.4	37.6	33.8%	40.8%
PPC	Pilgrim's Pride Corporation	Consumer Staples	40.5%	10.5	10.5	59.9%	152.3%
USFD	US Foods Holding Corp.	Consumer Staples	28.4%	16.2	17.5	22.1%	24.2%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	26.0%	14.2	14.2	33.0%	44.7%
ALL	The Allstate Corporation	Financials	17.8%	13.5	11.5	78.6%	129.8%
HALO	Halozyme Therapeutics, Inc.	Health Care	16.6%	12.7	12.9	37.5%	42.0%
FTI	TechnipFMC plc	Energy	15.9%	21.4	15.6	93.1%	193.3%
GM	General Motors Company	Consumer Discretionary	-0.7%	5.2	4.2	19.5%	30.8%
NVDA	NVIDIA Corporation	Information Technology	-6.4%	41.4	24.6	62.4%	83.9%
LNW	Light & Wonder, Inc.	Consumer Discretionary	-9.5%	23.8	16.5	79.3%	63.4%
XYZ	Block, Inc.	Financials	-15.0%	19.0	13.2	59.8%	54.9%
MU	Micron Technology, Inc.	Information Technology	-22.5%	15.4	10.2		
		Average =	14.4%	19.1	16.4	52.4%	79.0%
SPY	SPDR S&P 500 ETF Trust		3.8%				
RSP	Invesco S&P 500 Equal Weight		5.1%				
MDY	SPDR S&P MidCap 400 ETF Trust		-0.2%				
IWM	iShares Russell 2000 ETF		-5.7%				

This portfolio so far has been led by a mid-cap special metals company, Netflix, a major cruise line, and two packaged foods companies.

The few laggards include a large semiconductor maker and a fintech payments firm.

So far, the portfolio is well ahead of SPY and other relevant large, mid, and small cap benchmarks, including both cap-weight and equal-weight (gross total return).

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Q4 2024 *Baker's Dozen* Model Portfolio

Launch date (10/18/24) through current (4/2/25)

Q4 2024 Baker's Dozen Portfolio

Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Est. NTM EPS Growth at Launch	Actual EPS Growth
FTI	TechnipFMC plc	Energy	27.4%	16.8	15.6	57.5%	108.6%
HALO	Halozyme Therapeutics, Inc.	Health Care	19.8%	11.7	12.9	36.5%	41.6%
HMN	Horace Mann Educators Corporation	Financials	17.6%	11.6	11.4	50.1%	83.0%
CPRX	Catalyst Pharmaceuticals, Inc.	Health Care	15.2%	10.5	11.3	114.1%	148.9%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	6.1%	16.1	14.2	24.1%	31.9%
ALL	The Allstate Corporation	Financials	5.1%	12.2	11.5	19.4%	37.5%
TSN	Tyson Foods, Inc.	Consumer Staples	4.6%	18.3	17.2	28.3%	48.1%
MGNI	Magnite, Inc.	Communication Services	-6.1%	14.8	12.9	38.0%	24.6%
TSM	Taiwan Semiconductor Manufacturing	Information Technology	-15.1%	26.1	18.6	41.0%	50.7%
XYZ	Block, Inc.	Financials	-22.5%	18.4	13.2	44.3%	30.4%
STX	Seagate Technology Holdings plc	Information Technology	-23.7%	16.7	10.0	425.6%	481.8%
SWK	Stanley Black & Decker, Inc.	Industrials	-27.7%	20.0	14.9	45.3%	22.2%
CE	Celanese Corporation	Materials	-58.4%	11.4	10.6	29.5%	-37.8%
		Average =	**-5.2%**	15.7	13.4	73.4%	82.4%
SPY	SPDR S&P 500 ETF Trust		-2.8%				
RSP	Invesco S&P 500 Equal Weight		-3.1%				
MDY	SPDR S&P MidCap 400 ETF Trust		-6.1%				
IWM	iShares Russell 2000 ETF		-9.7%				

This portfolio so far has been led by an oil & gas services firm, a biotech, and an insurance holding company.

Laggards include a specialty materials company focused on engineered polymers, a power tools maker, a fintech payments firm, and a maker of digital storage devices.

So far, the portfolio is slightly trailing its large cap benchmarks but is in-line or ahead of other relevant mid and small cap indexes (gross total return).

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Q1 2025 *Baker's Dozen* Model Portfolio

Launch date (1/17/24) through current (4/2/25)

Q1 2025 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
COOP	Mr. Cooper Group Inc.	Financials	28.8%	8.1	10.1	34.1%	33.8%
HALO	Halozyme Therapeutics, Inc.	Health Care	15.0%	11.8	12.9	24.0%	23.6%
PINS	Pinterest, Inc.	Communication Services	2.8%	18.1	17.1	18.3%	14.3%
FTI	TechnipFMC plc	Energy	0.2%	17.6	15.6	29.5%	44.2%
DBX	Dropbox, Inc.	Information Technology	-10.2%	11.9	10.7	11.7%	15.2%
MRK	Merck & Co., Inc.	Health Care	-11.6%	11.7	9.7	44.5%	42.6%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	-12.3%	17.0	14.2	20.3%	23.1%
AMZN	Amazon.com, Inc.	Consumer Discretionary	-13.2%	37.7	31.2	25.5%	33.7%
AMD	Advanced Micro Devices, Inc.	Information Technology	-15.2%	26.6	22.3	48.6%	42.7%
TSM	Taiwan Semiconductor Manufacturing	Information Technology	-19.4%	24.1	18.6	43.1%	42.5%
FIX	Comfort Systems USA, Inc.	Industrials	-32.1%	30.8	18.7	25.6%	34.4%
XYZ	Block, Inc.	Financials	-33.5%	20.6	13.2	34.6%	25.4%
DAL	Delta Air Lines, Inc.	Industrials	-34.1%	8.7	6.3	23.3%	12.1%
		Average =	-11.3%	18.8	15.4	29.5%	29.8%
SPY	SPDR S&P 500 ETF Trust		-5.2%				
RSP	Invesco S&P 500 Equal Weight		-2.4%				
MDY	SPDR S&P MidCap 400 ETF Trust		-7.6%				
IWM	iShares Russell 2000 ETF		-9.9%				

This new portfolio so far has been led by a mortgage servicing firm, a biotech, and an interactive social media platform.

Laggards include a major airline, a fintech payments firm, and an engineering & construction firm.

So far, the portfolio is trailing all its relevant large cap, mid-cap, and small-cap benchmarks (gross total return) but is still in primary market and offers a solid and diverse group of mid and large cap stocks for the Trump 2.0 economy.

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SectorCast Rankings and Sector Rotation Model

Sabrient SectorCast Sector Rotation Strategy - As of 4/2/2025
Suggested Top 3 Sector ETFs for Bullish, Neutral, or Defensive Outlooks
Bullish/Neutral/Defensive bias based on SPY vs. 50/200 day moving averages; 30-90-day forward look

Sector	ETF	Outlook Score	Bull Score	Bear Score	Net Score: Neutral Bias	Net Score: Bullish Bias	Net Score: Defensive Bias
TECHNOLOGY	IYW	90	57	39	90	90.0	53.6
HEALTHCARE	IYH	79	47	66	79	54.9	90.0
TELECOMMUNICATIONS	IYZ	65	52	61	65	65.5	76.6
INDUSTRIALS	IYJ	43	53	53	43	60.8	55.4
UTILITIES	IDU	43	43	73	43	29.6	85.8
CONSUMER DISCRETIONARY	IYC	34	58	45	34	73.2	39.6
FINANCIALS	IYF	33	54	55	33	60.3	54.4
CONSUMER STAPLES	IYK	21	43	77	21	21.7	82.8
BASIC MATERIALS	IYM	12	52	61	12	46.6	54.8
ENERGY	IYE	7	59	60	7	66.7	51.2

Sabrient's *Outlook Score* employs a forward-looking fundamentals-based scoring algorithm to create a composite profile of the constituent stocks. *Bull Score* and *Bear Score* are based on price behavior of the underlying stocks on particularly strong and weak days over the prior 40 market days. High Bull indicates a tendency for relative strength in a strong market, and high Bear indicates a tendency for relative strength in a weak market (i.e., safe havens). High for all scores is 100, and higher is better.

Sabrient's SectorCast rankings reflect a neutral bias, as cyclicals and secular growth sectors are spread out across the rankings. Technology (dominated by the Big Tech, of course) at the top, particularly as the lofty valuations have receded. However, cyclical sectors Materials and Energy remain at the bottom, and Financials have fallen as well.

Valuations have pulled back on defensive investor sentiment from the uncertainty (severity and duration) of tariffs and trade wars. However, earnings growth forecasts have held up, and interest rates are expected to fall further. Technology still displays the highest forward P/E (25.2x, as of 4/2) but remains at the top of the rankings due to still-solid nEPS growth estimates (18.1%), a relatively modest forward PEG ratio of 1.39, favorable sell-side analyst earnings revisions, the highest profit margins and return ratios, and significant insider buying.

Our sector rotation model has a **defensive bias** (based on the SPY trading below both its 50-day and 200-day moving averages). So, the model suggests holding Healthcare (IYH), Utilities (IDU), and Consumer Staples (IYK).

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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

3. **Baker's Dozen holdings report – quarterly notification list**

    ➤ Send email request to: support@Sabrient.com

4. **David Brown's new book on investing + Scorecards for Stocks and ETFs**
    (screening/ranking/monitoring/idea generation tools)

    ➤ Learn more: DavidBrownInvestingBook.com => We'd love to hear your feedback!

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