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 Q4 2024 Baker's Dozen*
6. *David Brown's new book on investing strategies … and Sabrient Scorecards*

Updated 1/6/2025

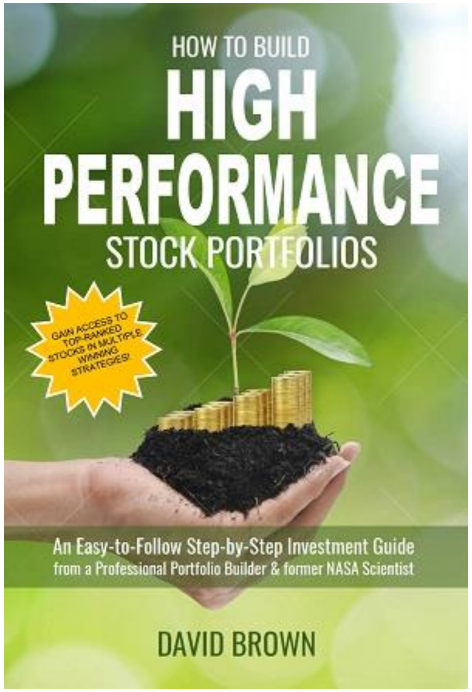
Scott Martindale
President & CEO
(former Chevron engineer)

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. Our portfolios include ***Baker's Dozen*, Dividend, Small Cap Growth, and Forward Looking Value**.
3. The latest **Q4 2024 *Baker's Dozen*** launched on 10/18 with 13 concentrated positions across large/mid/small caps (4/6/3) and with a 7/6 split between value/growth. It offers the potential for outsized gains (for example, the Q1 2024 portfolio is up +80%—see slide 14).
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 44** launched on 10/25. It provides an alpha-seeking alternative to a passive position in the Russell 2000 for small-cap exposure as lower interest rates, business-friendly fiscal policies, and a supportive Fed create greater market breadth.
6. The latest **Dividend 50** launched on 11/15. 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. Stocks have displayed **extreme divergences** in Large over Small-Mid Caps, Growth over Value, and the Tech sector over all others for some time. But with an accommodative Fed and "red wave" election, the market should continue to broaden into other market segments.
9. Given lofty valuations in the passive cap-weighted indexes, **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**

Market Observations & Outlook - 1/2

1. GDP and jobs growth remain 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 somewhat elevated inflation in the 2-3% range might be appropriate to help "inflate away" the massive federal debt 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 are historically 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 75 bps. A terminal fed funds rate of 3.25-3.50% seems appropriate (vs. today's 4.25-4.50%). However, Treasury bond yields have surged (10-year is now around 4.60%) due to investor fears of resurgent inflation and a credit crisis from massive-and-rising federal debt and deficit spending. The US dollar is at a 52-week high, but the Fed wants lower rates and a weaker dollar to allow other central banks to inject liquidity, avert a global currency crisis, and relieve indebted government (interest payments now exceed $1.1 trillion/year), consumers, businesses, and global economy.

4. High valuations on cap-weight indexes are primarily driven by mega-cap Tech titans. Minus those, valuations are more reasonable. To illustrate, forward P/E on cap-weight Nasdaq 100 (QQQ) is 27.4x and S&P 500 (SPY) is 22.2x, but equal-weight Nasdaq 100 (QQQE) is 24.0x and S&P 500 (RSP) is 17.4x, while S&P 600 small-cap (SPSM) is just 15.7x, as of 1/3. The ratio of small cap to large cap valuations is at an extreme.

Market Observations & Outlook - 2/2

5. Stock got a huge post-election and rally, before pulling back. But looking ahead, improving market breadth bodes well for market health. And with several trillion dollars still sitting defensively in money market funds as potential fuel, capital flight into the US, and bond credit spreads still tight, there is little sign of impending disaster despite lofty valuations and exuberance around Gen AI. Even if there is a larger correction, stocks still should recover to post solid gains in 2025, given business-friendly Trump policies and a supportive Fed.

6. At the core of an equity portfolio should be US large-cap Technology stocks, given their huge cash positions, free cash flow, margins, return ratios, and wide "moats." But as the market broadens, it should create good investment opportunities in small and mid-caps, value, quality, high-dividend, cyclical industries, and equal-weight indexes, as well as market segments like industrials, defense, transports, travel, homebuilders, banks, insurers, energy, and select materials companies. Healthcare, biotech, and REITs might be "sleepers" as well. 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 of this is discussed in greater detail in our "Sector Detector" market commentaries.

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

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

- **Q4 2024 Baker’s Dozen** (quarterly, 13 stocks) launched 10/18/24
  - ⇒ ***Our flagship product is a concentrated, all-cap, alpha-seeking portfolio that balances value/cyclical growth with high-quality secular growers.***
- **Small Cap Growth 44** (quarterly, 45 stocks) launched 10/25/24
  - ⇒ ***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 50** (quarterly, 49 stocks) launched 11/15/24
  - ⇒ ***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 Q4 2024 *Baker's Dozen* Portfolio – statistics upon launch

Launch date: 10/18/24

Ticker	Company Name	Sector	Industry	Mkt Cap ($B)	NTM EPS Growth	Fwd PE	Fwd PEG	Div Yield	EQR	GQR
ALL	Allstate	Financials	Property & Casualty Insurance	51.6	21.3%	12.1	0.57	1.9%	5	8
CE	Celanese	Materials	Specialty Chemicals	14.8	29.5%	11.4	0.39	2.1%	5	6
CPRX	Catalyst Pharmaceuticals	Health Care	Biotechnology	2.6	114.1%	10.8	0.09	0.0%	5	8
FTI	TechnipFMC	Energy	Oil & Gas Equipment and Services	11.4	57.5%	16.8	0.29	0.8%	4	5
HALO	Halozyme Therapeutics	Health Care	Biotechnology	6.8	36.7%	12.0	0.33	0.0%	4	10
HMN	Horace Mann Educators	Financials	Multi-line Insurance	1.5	50.1%	11.6	0.23	3.7%	4	5
MGNI	Magnite	Communication Services	Advertising	1.7	38.0%	14.5	0.38	0.0%	4	5
RCL	Royal Caribbean Cruises	Consumer Discretionary	Hotels, Resorts & Cruise Lines	54.1	24.1%	16.1	0.67	0.8%	4	8
SQ	Block	Financials	Transaction & Payment Processing	45.4	43.0%	18.5	0.43	0.0%	NA	7
STX	Seagate Technology	Information Technology	Technology Hardware & Storage	23.5	425.6%	16.6	0.04	2.5%	4	7
SWK	Stanley Black & Decker	Industrials	Industrial Machinery and Supplies	16.2	45.1%	20.0	0.44	3.1%	5	6
TSM	Taiwan Semiconductor	Information Technology	Semiconductors	835.4	35.3%	24.4	0.69	0.0%	4	9
TSN	Tyson Foods	Consumer Staples	Packaged Foods & Meats	21.3	28.3%	18.3	0.65	3.2%	5	5
			Average:	83.6	73.0%	15.6	0.21	1.4%	4.4	6.8

Notes:

- ➢ Large/Mid/Small cap mix of 4/6/3
- ➢ 7 Value and 6 Growth stocks
- ➢ 7 *secular* growth and *noncyclicals* from Semiconductors, Biotech, Insurance, Payments, Food balanced with 6 *cyclicals* from Travel, Oil & Gas, Tech Hardware, and Advertising

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

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

(16 years: 1/1/2009 inception thru 12/31/2024, end-of-month data points, updated quarterly)

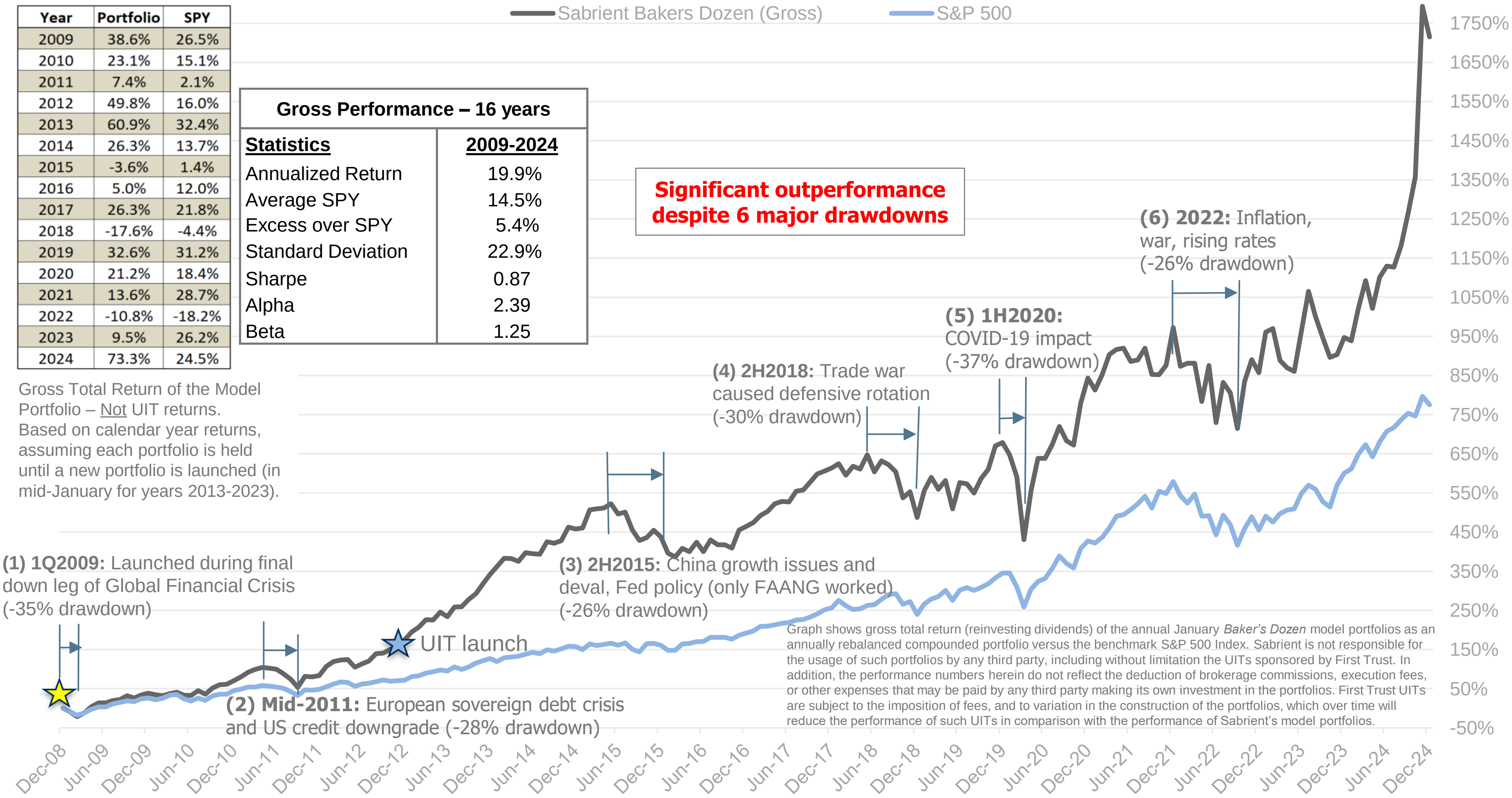
Year	Portfolio	SPY
2009	38.6%	26.5%
2010	23.1%	15.1%
2011	7.4%	2.1%
2012	49.8%	16.0%
2013	60.9%	32.4%
2014	26.3%	13.7%
2015	-3.6%	1.4%
2016	5.0%	12.0%
2017	26.3%	21.8%
2018	-17.6%	-4.4%
2019	32.6%	31.2%
2020	21.2%	18.4%
2021	13.6%	28.7%
2022	-10.8%	-18.2%
2023	9.5%	26.2%
2024	73.3%	24.5%

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).

Gross Performance – 16 years

Statistics	**2009-2024**
Annualized Return	19.9%
Average SPY	14.5%
Excess over SPY	5.4%
Standard Deviation	22.9%
Sharpe	0.87
Alpha	2.39
Beta	1.25

Significant outperformance despite 6 major drawdowns



(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)

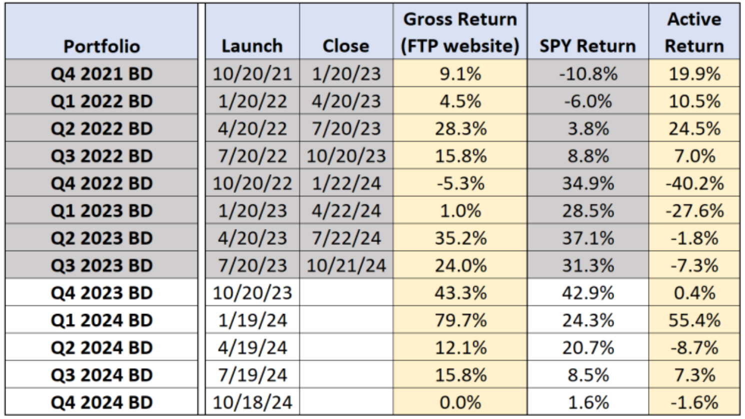
(6) 2022: Inflation, war, rising rates (-26% drawdown)

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.

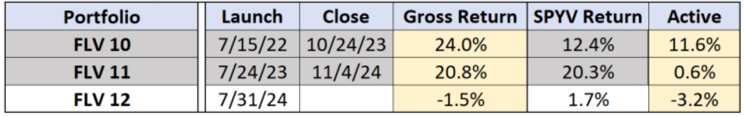
Performance of live and recently terminated portfolios – as of 1/3/2025

Baker's Dozen - Gross return thru: 1/3/2025



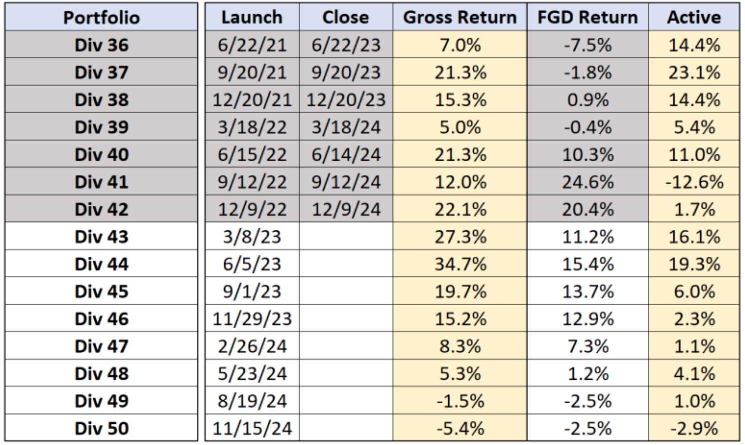
Portfolio	Launch	Close	Gross Return (FTP website)	SPY Return	Active Return
Q4 2021 BD	10/20/21	1/20/23	9.1%	-10.8%	19.9%
Q1 2022 BD	1/20/22	4/20/23	4.5%	-6.0%	10.5%
Q2 2022 BD	4/20/22	7/20/23	28.3%	3.8%	24.5%
Q3 2022 BD	7/20/22	10/20/23	15.8%	8.8%	7.0%
Q4 2022 BD	10/20/22	1/22/24	-5.3%	34.9%	-40.2%
Q1 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		43.3%	42.9%	0.4%
Q1 2024 BD	1/19/24		79.7%	24.3%	55.4%
Q2 2024 BD	4/19/24		12.1%	20.7%	-8.7%
Q3 2024 BD	7/19/24		15.8%	8.5%	7.3%
Q4 2024 BD	10/18/24		0.0%	1.6%	-1.6%

Forward Looking Value - Gross return thru: 1/3/2025



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		-1.5%	1.7%	-3.2%

Sabrient Dividend - Gross return thru: 1/3/2025



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		27.3%	11.2%	16.1%
Div 44	6/5/23		34.7%	15.4%	19.3%
Div 45	9/1/23		19.7%	13.7%	6.0%
Div 46	11/29/23		15.2%	12.9%	2.3%
Div 47	2/26/24		8.3%	7.3%	1.1%
Div 48	5/23/24		5.3%	1.2%	4.1%
Div 49	8/19/24		-1.5%	-2.5%	1.0%
Div 50	11/15/24		-5.4%	-2.5%	-2.9%

Sabrient's 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 ftportfolios.com website) versus a relevant benchmark for all the **live portfolios** plus those that recently terminated (in 2023-2025).

Note that we show SPDR S&P 500 Value (SPYV) as benchmark for Forward Looking Value and First Trust Dow Jones Global Select Dividend Index Fund (FGD) as benchmark for Dividend portfolios.

*Keep in mind, **narrow market leadership has made SPY hard to beat!***

Still, the vast majority (71%) of portfolios created since enhancements were implemented in Dec 2019 have either outperformed or stayed close to their benchmarks. The best performer is Q1 2024 Baker's Dozen, which is **up +79.7%** since inception, compared to S&P 500's +24.3%, as of 1/2/25.

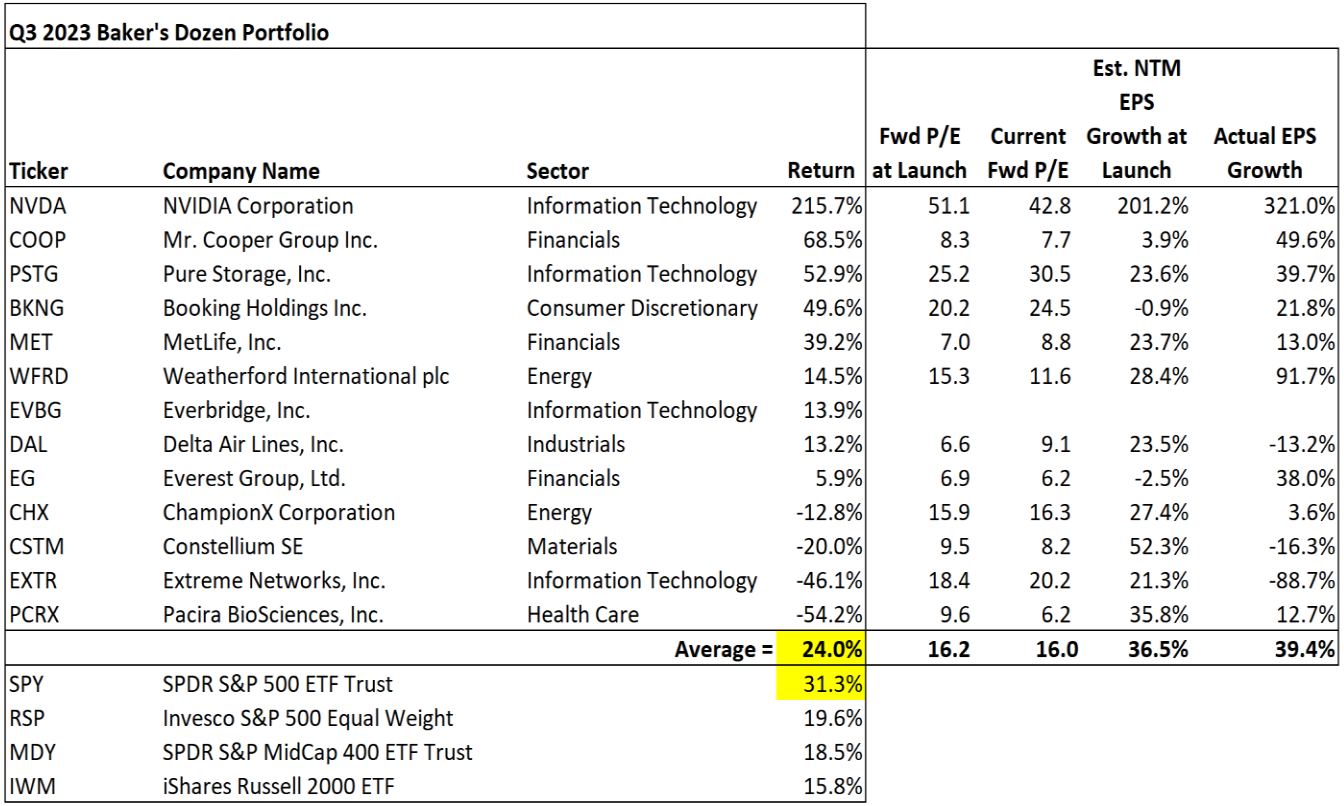
Worst performers were the Q4 2022 and Q1 2023 Baker's Dozens, which greatly underperformed the S&P 500 mainly due to extreme sector "tilts" away from the benchmark allocations that didn't pan out (*overweight* in Energy and *underweight* in Technology). Since then, we have avoided such sector bets.

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 50 has a current yield of 3.8%.) As such, our Dividend portfolios have been largely *uncorrelated* with either high-dividend FGD or growth-oriented SPY—sometimes outperforming or underperforming one or both benchmarks. However, because Tech firms tend to pay little or no dividends, this portfolio is generally underweight Tech and thus has not benefited as much from the Tech-led market rally.

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

Q3 2023 *Baker's Dozen* Model Portfolio – terminated

Launch date (7/20/23) through termination (10/21/24)



Q3 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	215.7%	51.1	42.8	201.2%	321.0%
COOP	Mr. Cooper Group Inc.	Financials	68.5%	8.3	7.7	3.9%	49.6%
PSTG	Pure Storage, Inc.	Information Technology	52.9%	25.2	30.5	23.6%	39.7%
BKNG	Booking Holdings Inc.	Consumer Discretionary	49.6%	20.2	24.5	-0.9%	21.8%
MET	MetLife, Inc.	Financials	39.2%	7.0	8.8	23.7%	13.0%
WFRD	Weatherford International plc	Energy	14.5%	15.3	11.6	28.4%	91.7%
EVBG	Everbridge, Inc.	Information Technology	13.9%				
DAL	Delta Air Lines, Inc.	Industrials	13.2%	6.6	9.1	23.5%	-13.2%
EG	Everest Group, Ltd.	Financials	5.9%	6.9	6.2	-2.5%	38.0%
CHX	ChampionX Corporation	Energy	-12.8%	15.9	16.3	27.4%	3.6%
CSTM	Constellium SE	Materials	-20.0%	9.5	8.2	52.3%	-16.3%
EXTR	Extreme Networks, Inc.	Information Technology	-46.1%	18.4	20.2	21.3%	-88.7%
PCRX	Pacira BioSciences, Inc.	Health Care	-54.2%	9.6	6.2	35.8%	12.7%
		Average =	**24.0%**	**16.2**	**16.0**	**36.5%**	**39.4%**
SPY	SPDR S&P 500 ETF Trust		31.3%				
RSP	Invesco S&P 500 Equal Weight		19.6%				
MDY	SPDR S&P MidCap 400 ETF Trust		18.5%				
IWM	iShares Russell 2000 ETF		15.8%				

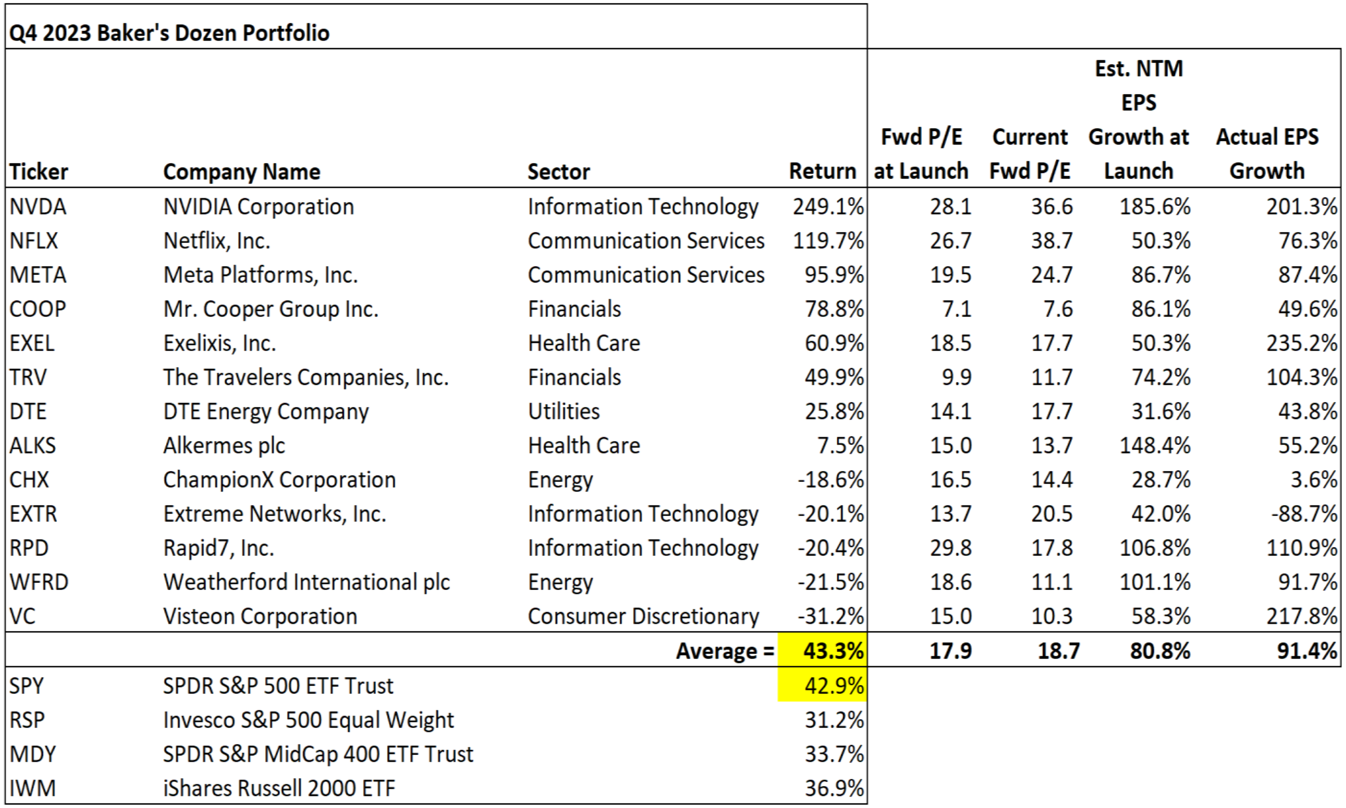
This portfolio has benefited from MAG-7 AI-darling NVDA plus a few other big winners from mortgage servicing, data storage, travel, and insurance. Biggest laggards are a networking communications firm and a biotech.

You can see the substantial outperformance of cap-weight SPY vs. equal-weight RSP and the small-mid indexes over this timeframe, which makes it very tough to beat.

Nevertheless, although the portfolio has underperformed the SPY, it has outperformed the other relevant large cap, mid-cap, and small-cap benchmarks (gross total return).

Q4 2023 *Baker's Dozen* Model Portfolio – terminating on 1/21/25

Launch date (10/20/23) through current (1/3/25)



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	249.1%	28.1	36.6	185.6%	201.3%
NFLX	Netflix, Inc.	Communication Services	119.7%	26.7	38.7	50.3%	76.3%
META	Meta Platforms, Inc.	Communication Services	95.9%	19.5	24.7	86.7%	87.4%
COOP	Mr. Cooper Group Inc.	Financials	78.8%	7.1	7.6	86.1%	49.6%
EXEL	Exelixis, Inc.	Health Care	60.9%	18.5	17.7	50.3%	235.2%
TRV	The Travelers Companies, Inc.	Financials	49.9%	9.9	11.7	74.2%	104.3%
DTE	DTE Energy Company	Utilities	25.8%	14.1	17.7	31.6%	43.8%
ALKS	Alkermes plc	Health Care	7.5%	15.0	13.7	148.4%	55.2%
CHX	ChampionX Corporation	Energy	-18.6%	16.5	14.4	28.7%	3.6%
EXTR	Extreme Networks, Inc.	Information Technology	-20.1%	13.7	20.5	42.0%	-88.7%
RPD	Rapid7, Inc.	Information Technology	-20.4%	29.8	17.8	106.8%	110.9%
WFRD	Weatherford International plc	Energy	-21.5%	18.6	11.1	101.1%	91.7%
VC	Visteon Corporation	Consumer Discretionary	-31.2%	15.0	10.3	58.3%	217.8%
		Average =	**43.3%**	**17.9**	**18.7**	**80.8%**	**91.4%**
SPY	SPDR S&P 500 ETF Trust		42.9%				
RSP	Invesco S&P 500 Equal Weight		31.2%				
MDY	SPDR S&P MidCap 400 ETF Trust		33.7%				
IWM	iShares Russell 2000 ETF		36.9%				

This portfolio is enjoying 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).

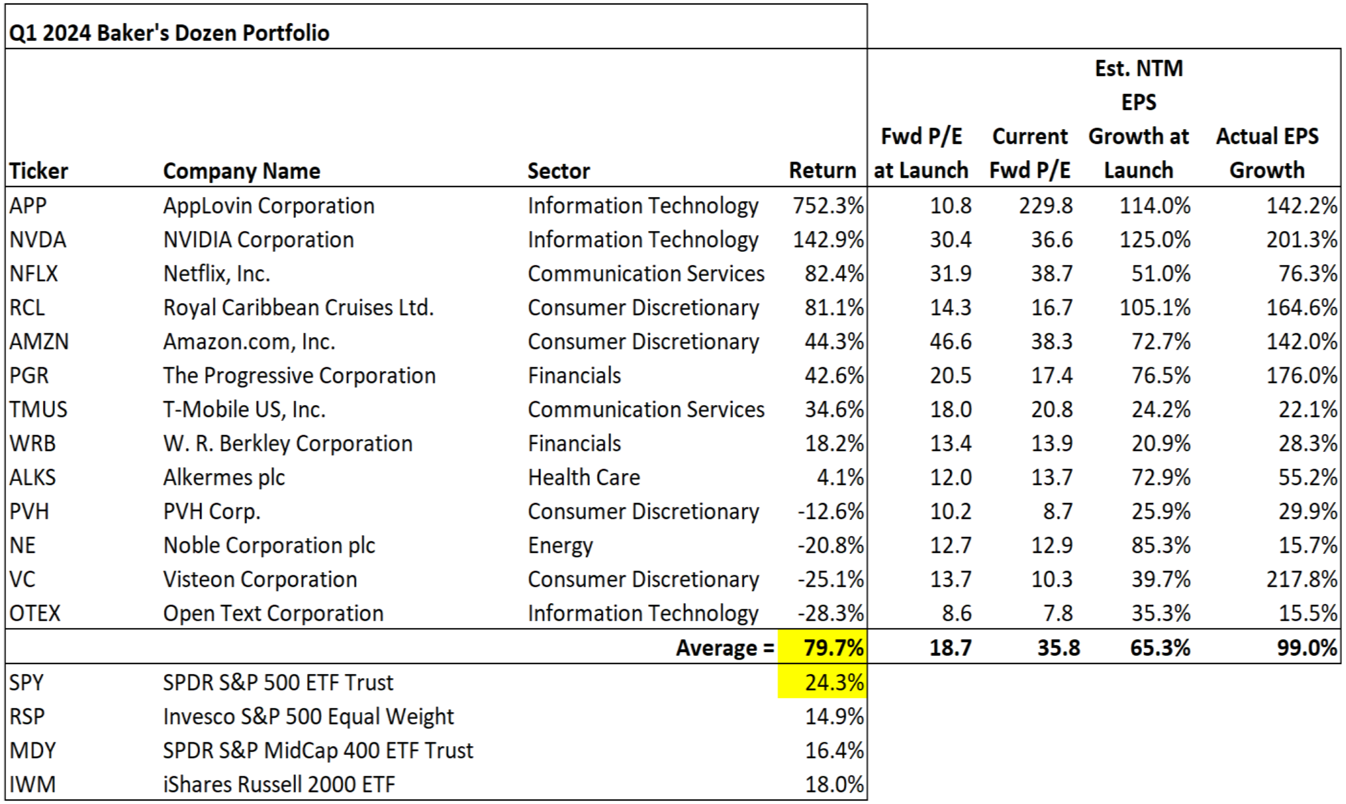
Laggards include a networking communications firm, an auto parts company, a cloud cybersecurity provider, and 2 oil & gas services firms.

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

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

Q1 2024 *Baker’s Dozen* Model Portfolio

Launch date (1/19/24) through current (1/3/25)



Q1 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
APP	AppLovin Corporation	Information Technology	752.3%	10.8	229.8	114.0%	142.2%
NVDA	NVIDIA Corporation	Information Technology	142.9%	30.4	36.6	125.0%	201.3%
NFLX	Netflix, Inc.	Communication Services	82.4%	31.9	38.7	51.0%	76.3%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	81.1%	14.3	16.7	105.1%	164.6%
AMZN	Amazon.com, Inc.	Consumer Discretionary	44.3%	46.6	38.3	72.7%	142.0%
PGR	The Progressive Corporation	Financials	42.6%	20.5	17.4	76.5%	176.0%
TMUS	T-Mobile US, Inc.	Communication Services	34.6%	18.0	20.8	24.2%	22.1%
WRB	W. R. Berkley Corporation	Financials	18.2%	13.4	13.9	20.9%	28.3%
ALKS	Alkermes plc	Health Care	4.1%	12.0	13.7	72.9%	55.2%
PVH	PVH Corp.	Consumer Discretionary	-12.6%	10.2	8.7	25.9%	29.9%
NE	Noble Corporation plc	Energy	-20.8%	12.7	12.9	85.3%	15.7%
VC	Visteon Corporation	Consumer Discretionary	-25.1%	13.7	10.3	39.7%	217.8%
OTEX	Open Text Corporation	Information Technology	-28.3%	8.6	7.8	35.3%	15.5%
		Average =	**79.7%**	**18.7**	**35.8**	**65.3%**	**99.0%**
SPY	SPDR S&P 500 ETF Trust		24.3%				
RSP	Invesco S&P 500 Equal Weight		14.9%				
MDY	SPDR S&P MidCap 400 ETF Trust		16.4%				
IWM	iShares Russell 2000 ETF		18.0%				

This portfolio has been led by 2 big winners—most notably AI-driven marketing software firm AppLovin, as well as mega-cap market darling NVIDIA (dominant in AI chips). Other solid winners include video entertainment powerhouse Netflix, and a major cruise line.

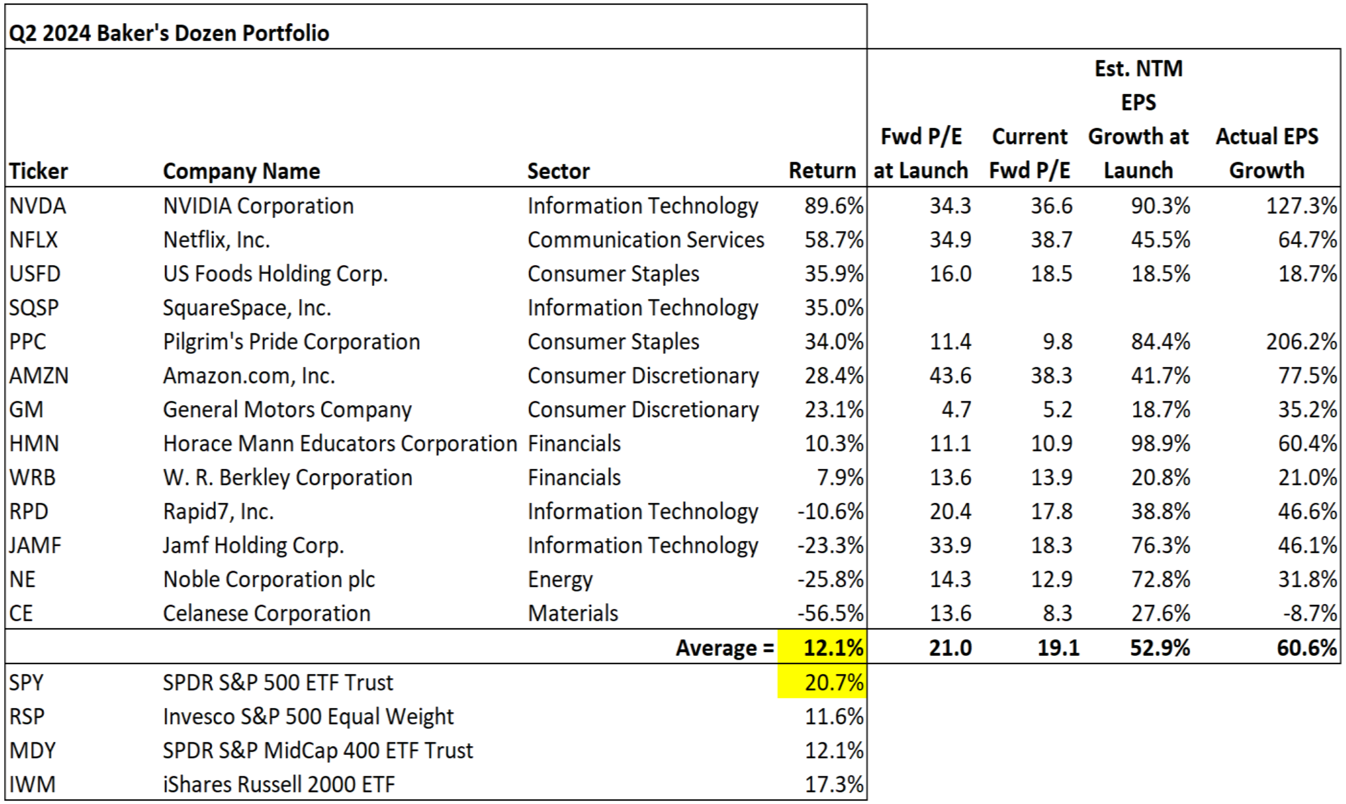
They offset laggards from oil & gas, information management software, biopharma, retail apparel manufacturing, and auto parts.

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

This portfolio also illustrates the power of having 1 or 2 big winners within a concentrated portfolio.

Q2 2024 *Baker's Dozen* Model Portfolio

Launch date (4/19/24) through current (1/3/25)



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
NVDA	NVIDIA Corporation	Information Technology	89.6%	34.3	36.6	90.3%	127.3%
NFLX	Netflix, Inc.	Communication Services	58.7%	34.9	38.7	45.5%	64.7%
USFD	US Foods Holding Corp.	Consumer Staples	35.9%	16.0	18.5	18.5%	18.7%
SQSP	SquareSpace, Inc.	Information Technology	35.0%				
PPC	Pilgrim's Pride Corporation	Consumer Staples	34.0%	11.4	9.8	84.4%	206.2%
AMZN	Amazon.com, Inc.	Consumer Discretionary	28.4%	43.6	38.3	41.7%	77.5%
GM	General Motors Company	Consumer Discretionary	23.1%	4.7	5.2	18.7%	35.2%
HMN	Horace Mann Educators Corporation	Financials	10.3%	11.1	10.9	98.9%	60.4%
WRB	W. R. Berkley Corporation	Financials	7.9%	13.6	13.9	20.8%	21.0%
RPD	Rapid7, Inc.	Information Technology	-10.6%	20.4	17.8	38.8%	46.6%
JAMF	Jamf Holding Corp.	Information Technology	-23.3%	33.9	18.3	76.3%	46.1%
NE	Noble Corporation plc	Energy	-25.8%	14.3	12.9	72.8%	31.8%
CE	Celanese Corporation	Materials	-56.5%	13.6	8.3	27.6%	-8.7%
		Average =	**12.1%**	**21.0**	**19.1**	**52.9%**	**60.6%**
SPY	SPDR S&P 500 ETF Trust		20.7%				
RSP	Invesco S&P 500 Equal Weight		11.6%				
MDY	SPDR S&P MidCap 400 ETF Trust		12.1%				
IWM	iShares Russell 2000 ETF		17.3%				

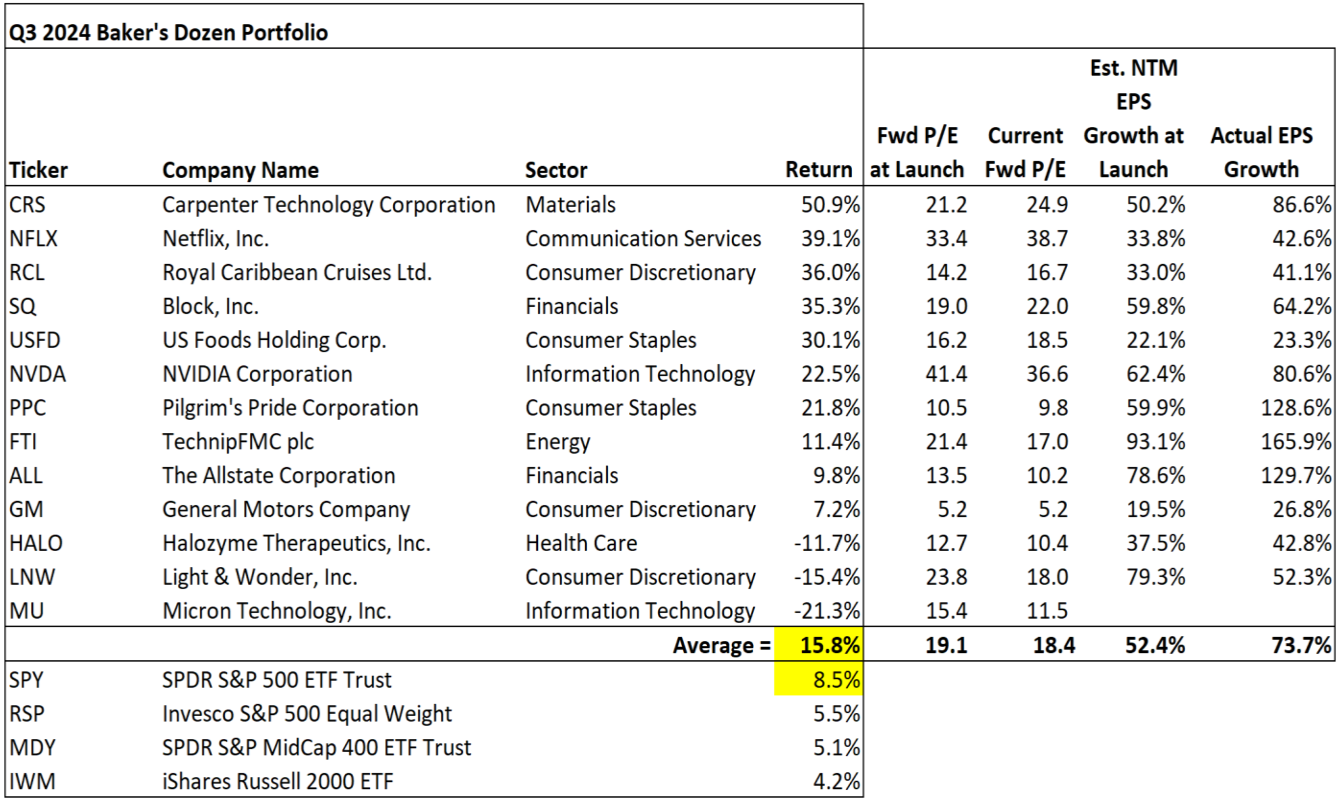
This new portfolio so far has been led by several solid winners, which have only partially offset a few big losers. Top performers are powerhouse mega-caps NVIDIA and Netflix, plus a software infrastructure firm (that was acquired) and two packaged foods firms.

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

So far, the portfolio is underperforming the cap-weight SPY, but it has outperformed some of its other relevant benchmarks (gross total return).

Q3 2024 *Baker's Dozen* Model Portfolio

Launch date (7/19/24) through current (1/3/25)



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	50.9%	21.2	24.9	50.2%	86.6%
NFLX	Netflix, Inc.	Communication Services	39.1%	33.4	38.7	33.8%	42.6%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	36.0%	14.2	16.7	33.0%	41.1%
SQ	Block, Inc.	Financials	35.3%	19.0	22.0	59.8%	64.2%
USFD	US Foods Holding Corp.	Consumer Staples	30.1%	16.2	18.5	22.1%	23.3%
NVDA	NVIDIA Corporation	Information Technology	22.5%	41.4	36.6	62.4%	80.6%
PPC	Pilgrim's Pride Corporation	Consumer Staples	21.8%	10.5	9.8	59.9%	128.6%
FTI	TechnipFMC plc	Energy	11.4%	21.4	17.0	93.1%	165.9%
ALL	The Allstate Corporation	Financials	9.8%	13.5	10.2	78.6%	129.7%
GM	General Motors Company	Consumer Discretionary	7.2%	5.2	5.2	19.5%	26.8%
HALO	Halozyme Therapeutics, Inc.	Health Care	-11.7%	12.7	10.4	37.5%	42.8%
LNW	Light & Wonder, Inc.	Consumer Discretionary	-15.4%	23.8	18.0	79.3%	52.3%
MU	Micron Technology, Inc.	Information Technology	-21.3%	15.4	11.5		
		Average =	**15.8%**	**19.1**	**18.4**	**52.4%**	**73.7%**
SPY	SPDR S&P 500 ETF Trust		8.5%				
RSP	Invesco S&P 500 Equal Weight		5.5%				
MDY	SPDR S&P MidCap 400 ETF Trust		5.1%				
IWM	iShares Russell 2000 ETF		4.2%				

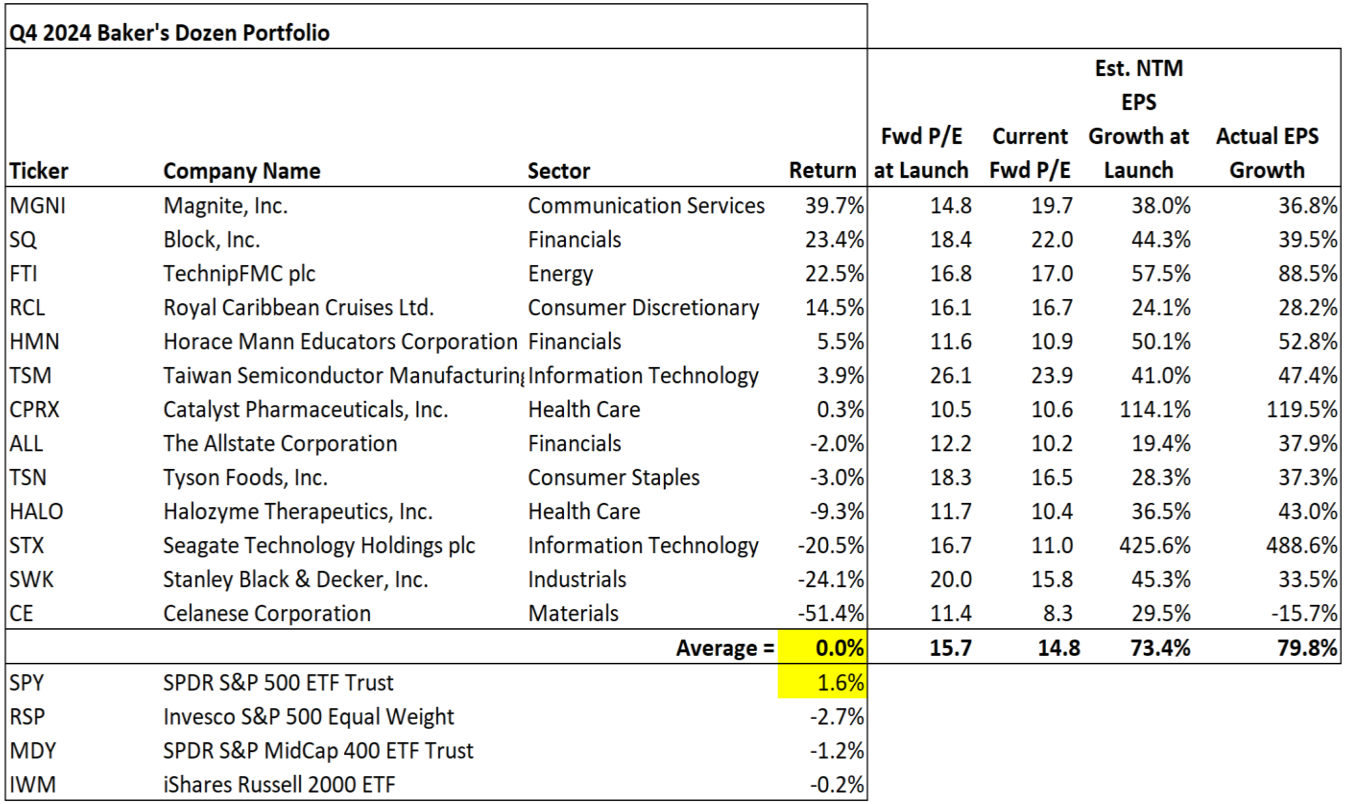
This new portfolio so far has been led by a mid-cap special metals company, Netflix, a cruise line, and a fintech payments company.

Laggards include a large semiconductor maker, video gaming company, and a biopharma.

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

Q4 2024 *Baker's Dozen* Model Portfolio

Launch date (10/18/24) through current (1/3/25)



Q4 2024 Baker's Dozen Portfolio

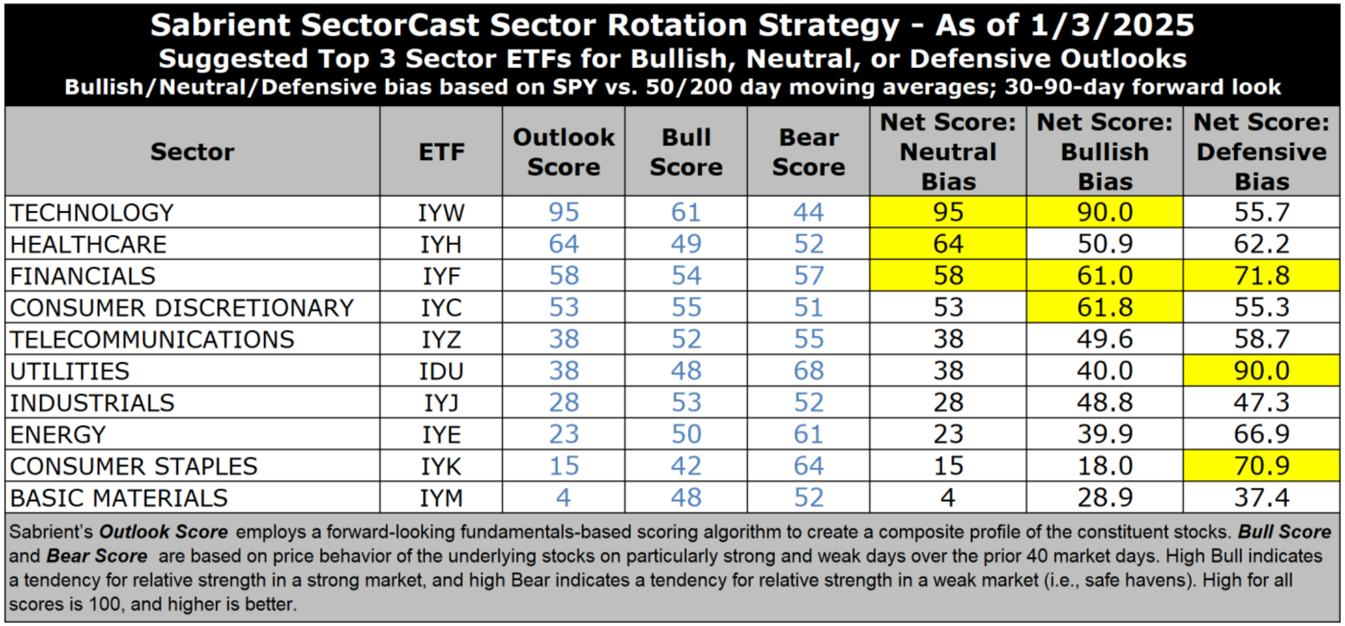
Ticker	Company Name	Sector	Return	Fwd P/E at Launch	Current Fwd P/E	Est. NTM EPS Growth at Launch	Actual EPS Growth
MGNI	Magnite, Inc.	Communication Services	39.7%	14.8	19.7	38.0%	36.8%
SQ	Block, Inc.	Financials	23.4%	18.4	22.0	44.3%	39.5%
FTI	TechnipFMC plc	Energy	22.5%	16.8	17.0	57.5%	88.5%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	14.5%	16.1	16.7	24.1%	28.2%
HMN	Horace Mann Educators Corporation	Financials	5.5%	11.6	10.9	50.1%	52.8%
TSM	Taiwan Semiconductor Manufacturin	Information Technology	3.9%	26.1	23.9	41.0%	47.4%
CPRX	Catalyst Pharmaceuticals, Inc.	Health Care	0.3%	10.5	10.6	114.1%	119.5%
ALL	The Allstate Corporation	Financials	-2.0%	12.2	10.2	19.4%	37.9%
TSN	Tyson Foods, Inc.	Consumer Staples	-3.0%	18.3	16.5	28.3%	37.3%
HALO	Halozyme Therapeutics, Inc.	Health Care	-9.3%	11.7	10.4	36.5%	43.0%
STX	Seagate Technology Holdings plc	Information Technology	-20.5%	16.7	11.0	425.6%	488.6%
SWK	Stanley Black & Decker, Inc.	Industrials	-24.1%	20.0	15.8	45.3%	33.5%
CE	Celanese Corporation	Materials	-51.4%	11.4	8.3	29.5%	-15.7%
		Average =	**0.0%**	**15.7**	**14.8**	**73.4%**	**79.8%**
SPY	SPDR S&P 500 ETF Trust		1.6%				
RSP	Invesco S&P 500 Equal Weight		-2.7%				
MDY	SPDR S&P MidCap 400 ETF Trust		-1.2%				
IWM	iShares Russell 2000 ETF		-0.2%				

This new portfolio so far has been led by a digital advertising firm, a fintech payments company, and an oil & gas services firm.

Laggards include a video gaming company and an oil & gas services firm.

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

SectorCast Rankings and Sector Rotation Model



Sabrient SectorCast Sector Rotation Strategy - As of 1/3/2025
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	95	61	44	95	90.0	55.7
HEALTHCARE	IYH	64	49	52	64	50.9	62.2
FINANCIALS	IYF	58	54	57	58	61.0	71.8
CONSUMER DISCRETIONARY	IYC	53	55	51	53	61.8	55.3
TELECOMMUNICATIONS	IYZ	38	52	55	38	49.6	58.7
UTILITIES	IDU	38	48	68	38	40.0	90.0
INDUSTRIALS	IYJ	28	53	52	28	48.8	47.3
ENERGY	IYE	23	50	61	23	39.9	66.9
CONSUMER STAPLES	IYK	15	42	64	15	18.0	70.9
BASIC MATERIALS	IYM	4	48	52	4	28.9	37.4

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 mega-cap MAG-7) at the top, although not by as great a margin over other sectors due to its lofty valuation. However, cyclical sectors Materials and Energy remain at the bottom.

After the market pullback somewhat reduced the extreme forward P/Es, valuation multiples have been rising again on bullish sentiment as prices get ahead of earnings growth forecasts but boosted by lower interest rates. Technology still displays the highest forward P/E (29.8x, as of 1/3) but remains at the top of the rankings due to solid EPS growth estimates (19.3%), a relatively modest forward PEG ratio of 1.54, positive Wall Street analyst earnings revisions, the highest profit margins and return ratios, and significant insider buying.

Our sector rotation model flipped back to a neutral bias in late-December (based on the SPY closing firmly below its 50-day moving average but still above the 200-day). So, the model suggests holding Technology (IYW), Healthcare (IYH), and Financials (IYF).

Trends in inflation metrics

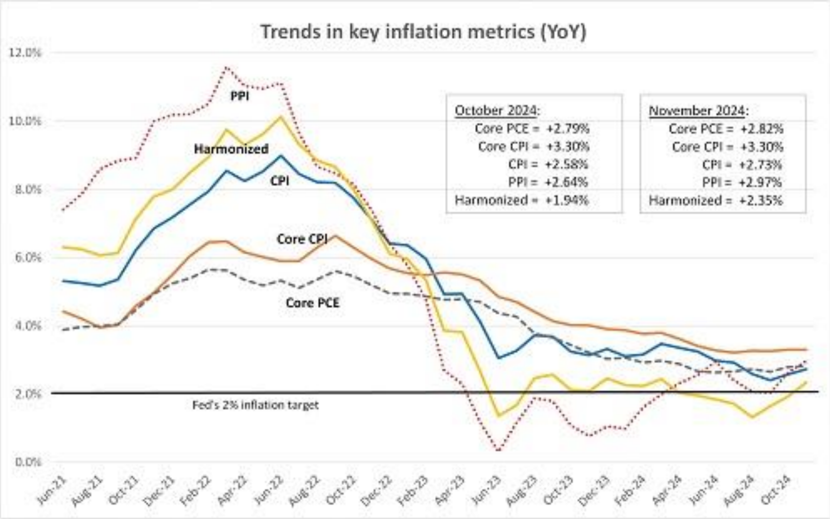
The upper chart below compares the latest November YoY metrics for CPI, Core CPI, PPI, Core PCE, and *Harmonized Index of Consumer Prices* (HICP, a European methodology).

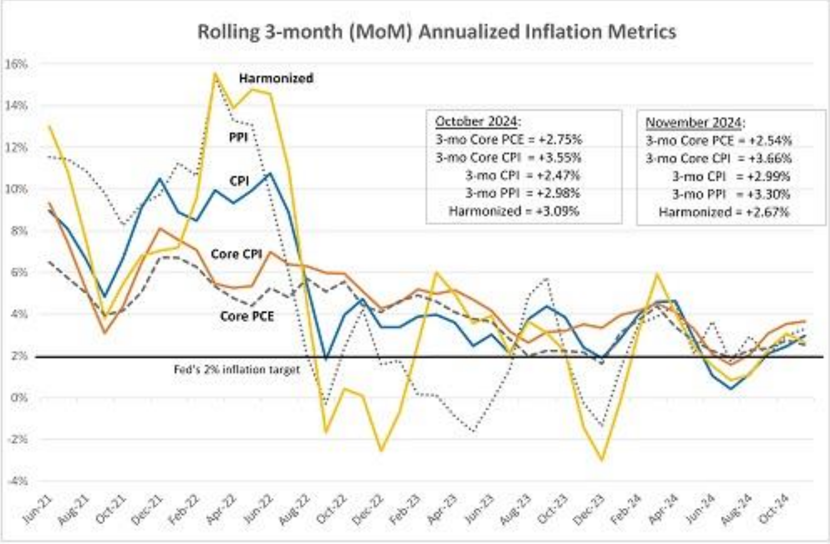
HICP historically presages CPI due to its real-time bias, such as actual costs of home acquisition and maintenance expenses rather than the highly-weighted concept of "owner's equivalent rent" (OER) used in CPI, which is highly subjective (based on surveys of homeowners), and the shelter cost metrics typically have a long lag time while accounting for roughly 33% of CPI and 40% of Core CPI.

Notably, HICP shows **+2.35%** while the real-time, blockchain-based "Truflation," which is updated daily and historically presages CPI by several months, has risen to **+2.84%** YoY (as of 1/3) and is up significantly from its lows in September (well below 2%).

The lower chart shows *annualized 3-month rolling averages* to better reflect current inflation trends without the effects of big first-of-year resets for many services costs. For November, 3-month annualized Core CPI rose to **+3.66%** and Core PCE to **+2.54%**, while 3-month headline CPI was **+2.99%** and PPI **+3.30%**, and 3-month HICP was **+2.67%**. Although there has been a slight uptick recently, all trends should soon resume their fall as disinflationary trends resume.

However, in my view, **maintaining somewhat elevated inflation might be appropriate** (to help "inflate away" the massive federal debt) in conjunction with fiscal & monetary policies to support robust *organic* growth in the private sector—leading to rising productivity, margins, earnings, jobs, wages, GDP, and tax receipts.





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)
   - Go to: DavidBrownInvestingBook.com => We'd love to hear your feedback!

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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.

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