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Portfolio Update and Market Outlook

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

1. *Summary talking points for advisors and investors*
2. *Overview of the latest Q2 2025 Baker's Dozen*
3. *Company overview and our portfolio selection process*
4. *Performance update (including the long-term Baker's Dozen chart through June)*
5. *Market observations & outlook*

Updated 7/1/2025

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.

2. The vast majority (68%) 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. Notably, 81% of Small Cap Growth portfolios have outperformed or stayed close to the benchmark. Our portfolios include: *Baker's Dozen*, **Dividend, Small Cap Growth, and Forward Looking Value**.

3. The new **Q2 2025 *Baker's Dozen*** launched on 4/17 with 13 concentrated positions across a diverse group of large/mid/small caps (5/4/4) and with an 11/2 split between growth/value, reflecting a strong growth bias (due to lowered valuations). The *Baker's Dozen* is designed to provide the <u>potential for outsized gains</u>—for example, the Q1 2024 portfolio terminated on 4/21 with a **+45.7%** gross return (see slide 10).

4. The new **Small Cap Growth 46** launched on 4/22. It provides an <u>alpha-seeking alternative</u> to a passive position in the Russell 2000 for small-cap exposure in expectation of greater market breadth.

5. The new **Dividend 52** launched on 5/12 and offers a current yield of **3.30%** (as of 6/30). It employs a <u>GARP & Income strategy</u> that seeks capital appreciation from quality companies with a solid growth history and reliable dividends.

6. The annual **Forward Looking Value 12** launched on 7/31/24. It is a <u>less-concentrated and more value-oriented</u> version of *Baker's Dozen*.

7. One key 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 active low-volatility portfolio that now exceeds $2B in AUM.

8. Uncertainty remains with trade deals, rising debt, and the budget bill, but expected H1 market volatility did not materialize, so we likely have seen the lows in stocks as investors position for tax and interest rate cuts, deregulation, solid earnings, and rising global liquidity.

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. *<u>This is what Sabrient seeks to do in our various portfolios</u>*, all of which provide exposure to Value, Quality, Growth, and Size factors and to both secular and cyclical growth trends.

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 analysis</u> to identify top candidates (approx. 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).
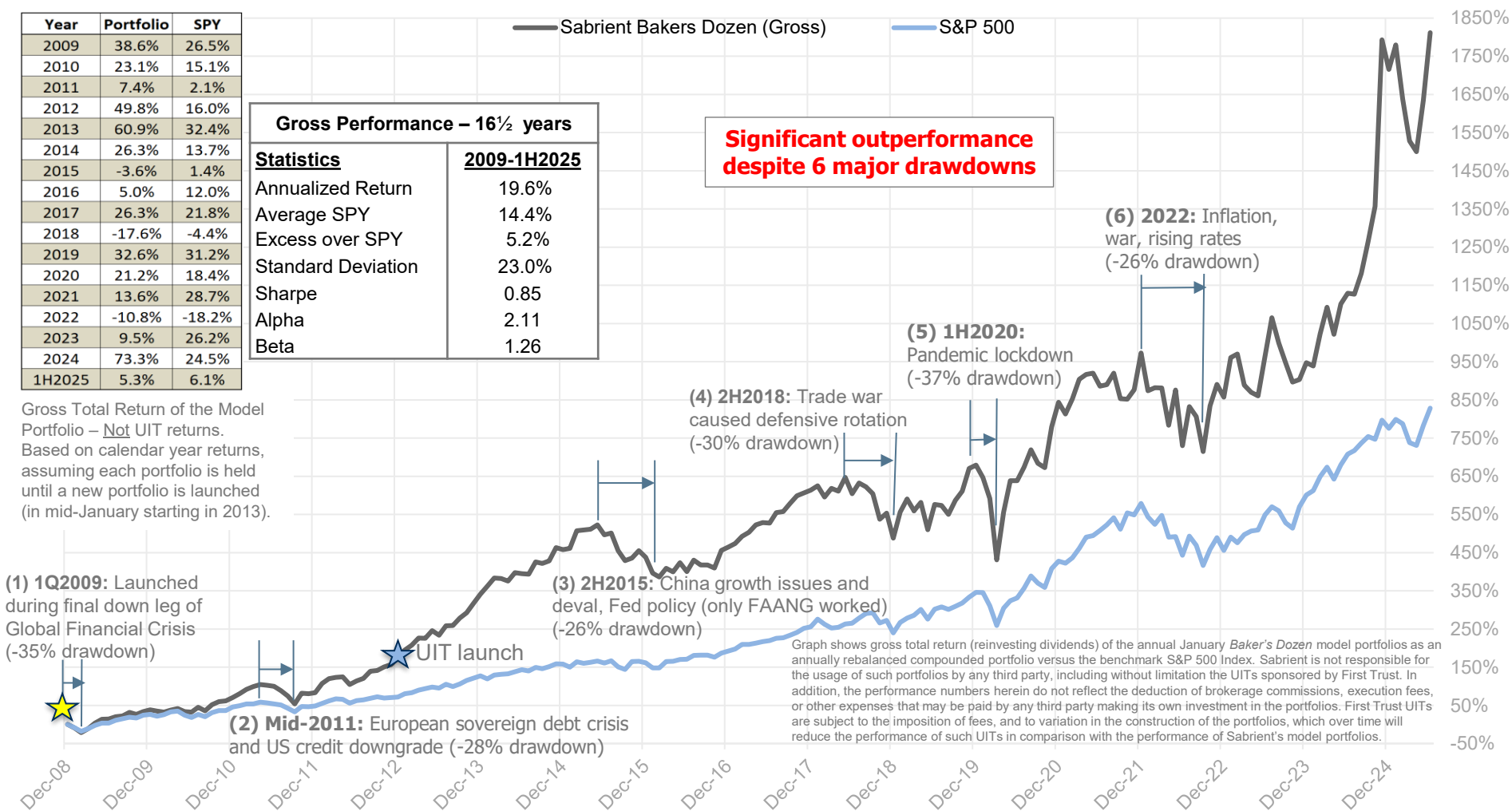
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Baker's Dozen: Performance of Annual Model Portfolio (rebalanced each January)

(16.5 years: 1/1/2009 inception thru 6/30/2025, <u>end-of-month</u> 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%
1H2025	5.3%	6.1%

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

Gross Performance – 16½ years

Statistics	2009-1H2025
Annualized Return	19.6%
Average SPY	14.4%
Excess over SPY	5.2%
Standard Deviation	23.0%
Sharpe	0.85
Alpha	2.11
Beta	1.26

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

Significant outperformance despite 6 major drawdowns

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

(5) 1H2020: Pandemic lockdown (-37% drawdown)

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

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

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

UIT launch

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

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Sabrient Portfolios: leveraging the "quantamental" approach

➢ **Q2 2025 Baker's Dozen** (quarterly, 13 stocks) launched 4/17/25

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

⇒ *The new Q3 2025 Baker's Dozen will launch on 7/18/25.*

➢ **Small Cap Growth 46** (quarterly, 47 stocks) launched 4/22/25

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

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

⇒ *The new SCG 47 will launch on 7/16/25.*

➢ **Dividend 52** (quarterly, 44 stocks) launched 5/12/25

⇒ *High-quality GARP + Income portfolio; Current Yield of **3.47%** on NAV*

⇒ *The new Dividend 53 will launch in mid-August.*

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

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

⇒ *The new FLV 13 will launch on 8/15/25*

Launch date: 4/17/25

Ticker	Company Name	Sector	Industry	Mkt Cap ($B)	NTM EPS Growth	Fwd PE	Fwd PEG	Div Yield	EQR	GQR
ADMA	ADMA Biologics	Health Care	Biotechnology	5.0	45.2%	29.5	0.65	0.0%	5	10
AVGO	Broadcom	Information Technology	Semiconductors	821.0	29.2%	25.2	0.86	1.3%	4	7
CHWY	Chewy	Consumer Discretionary	Other Specialty Retail	14.4	19.1%	28.3	1.48	0.0%	5	10
EAT	Brinker International	Consumer Discretionary	Restaurants	6.7	35.3%	16.8	0.48	0.0%	3	10
FNF	Fidelity National Financial	Financials	Property and Casualty Insurance	16.9	28.4%	10.3	0.36	3.2%	4	8
GILD	Gilead Sciences	Health Care	Biotechnology	130.7	71.7%	13.3	0.18	3.0%	4	9
HRMY	Harmony Biosciences	Health Care	Pharmaceuticals	1.6	23.7%	5.6	0.24	0.0%	5	7
LNG	Cheniere Energy	Energy	Oil & Gas Storage and Transport	50.9	30.2%	18.3	0.61	0.9%	5	5
QNST	QuinStreet	Communication Services	Interactive Media and Services	0.9	72.7%	15.4	0.21	0.0%	5	8
RNG	RingCentral	Information Technology	Application Software	2.0	13.5%	5.4	0.40	0.0%	5	10
SPOT	Spotify Technology	Communication Services	Movies and Entertainment	115.3	98.8%	47.9	0.48	0.0%	5	9
STRL	Sterling Infrastructure	Industrials	Construction and Engineering	4.3	31.6%	17.5	0.55	0.0%	4	9
TSM	Taiwan Semiconductor	Information Technology	Semiconductors	683.3	29.5%	16.6	0.56	0.0%	4	10
			Average:	142.5	40.7%	19.2	0.47	0.6%	4.5	8.6

Notes:

➤ Diverse Large/Mid/Small cap mix of 5/4/4
➤ Strong growth bias with 11 Growth and 2 Value stocks
➤ 6 *secular* growth and *noncyclicals* from Semiconductors, Biotech, Pharma, Software
   … balanced with 7 *cyclical growth* from Retail, Restaurants, Oil & Gas, Construction,
   Title Insurance, Media, Entertainment

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

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Performance of live and recently terminated portfolios – as of 6/30/2025

Baker's Dozen - Gross return thru: 6/30/2025

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	4/21/25	45.7%	8.2%	37.5%
Q2 2024 BD	4/19/24		18.2%	26.7%	-8.5%
Q3 2024 BD	7/19/24		36.5%	13.9%	22.5%
Q4 2024 BD	10/18/24		10.0%	6.7%	3.3%
Q1 2025 BD	1/17/25		1.4%	4.0%	-2.6%
Q2 2025 BD	4/17/25		19.5%	17.7%	1.8%

Forward Looking Value - Gross return thru: 6/30/2025

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		3.9%	4.7%	-0.8%

Sabrient Dividend - Gross return thru: 6/30/2025

Portfolio	Launch	Close	Gross Return	DVY Return	Active
Div 36	6/22/21	6/22/23	7.0%	2.6%	4.3%
Div 37	9/20/21	9/20/23	21.3%	5.5%	15.7%
Div 38	12/20/21	12/20/23	15.3%	5.2%	10.1%
Div 39	3/18/22	3/18/24	5.0%	1.7%	3.3%
Div 40	6/15/22	6/14/24	21.3%	9.3%	12.0%
Div 41	9/12/22	9/12/24	12.0%	14.5%	-2.5%
Div 42	12/9/22	12/9/24	22.1%	22.8%	-0.7%
Div 43	3/8/23	3/7/25	25.5%	21.0%	4.5%
Div 44	6/5/23	6/5/25	35.4%	26.4%	8.9%
Div 45	9/1/23		26.4%	26.1%	0.2%
Div 46	11/29/23		18.5%	27.4%	-9.0%
Div 47	2/26/24		11.3%	21.7%	-10.4%
Div 48	5/23/24		10.3%	13.6%	-3.4%
Div 49	8/19/24		-1.0%	5.9%	-6.9%
Div 50	11/15/24		-8.4%	-1.4%	-7.0%
Div 51	2/11/25		-1.8%	-0.1%	-1.7%
Div 52	5/12/25		3.0%	1.7%	1.3%

Small Cap Growth - Gross return thru: 6/30/2025

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	5/1/25	3.3%	1.7%	1.5%
SCG 42	5/1/24		6.1%	11.5%	-5.4%
SCG 43	7/29/24		-3.4%	-1.6%	-1.8%
SCG 44	10/25/24		-2.1%	-0.6%	-1.5%
SCG 45	1/22/25		-3.6%	-5.0%	1.4%
SCG 46	4/22/25		19.0%	15.4%	3.5%

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 iShares Select Dividend (DVY) is the new benchmark for Dividend portfolios (since they typically hold less than 15% international stocks).

The vast majority (68%) of portfolios created since enhancements were implemented in December 2019 have either outperformed or stayed close to their benchmarks. Last to terminate was the Q1 2024 Baker's Dozen, which finished **up +45.7%** since 1/19/24 inception compared to S&P 500's +8.2% as of 4/21/25 termination date, illustrating the outperformance potential. Notably 81% of Small Cap Growth portfolios have outperformed or stayed close to the Russell 2000 Small Cap Index.

Worst performers were the Q4 2022 and Q1 2023 Baker's Dozens, mainly due to extreme sector "tilts" away from the benchmark allocations that didn't pan out. 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						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	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 – terminated

Launch date (1/19/24) through termination (4/21/25)

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	454.5%	11.3	32.3	114.0%	186.2%
NFLX	Netflix, Inc.	Communication Services	104.6%	30.3	41.1	33.6%	46.8%
NVDA	NVIDIA Corporation	Information Technology	63.0%	29.3	25.4	124.2%	130.7%
TMUS	T-Mobile US, Inc.	Communication Services	56.3%	17.2	21.1	20.6%	28.4%
PGR	The Progressive Corporation	Financials	54.5%	20.6	17.3	33.7%	61.7%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	50.4%	14.3	14.3	102.7%	76.5%
WRB	W. R. Berkley Corporation	Financials	37.6%	12.8	15.7	17.8%	12.1%
AMZN	Amazon.com, Inc.	Consumer Discretionary	7.7%	46.1	30.3	72.7%	90.7%
ALKS	Alkermes plc	Health Care	-3.2%	12.0	15.6	72.9%	104.9%
OTEX	Open Text Corporation	Information Technology	-36.9%	8.5	7.4	35.3%	1.8%
VC	Visteon Corporation	Consumer Discretionary	-38.5%	12.7	10.0	-49.0%	-35.7%
PVH	PVH Corp.	Consumer Discretionary	-42.4%	10.0	5.8	25.9%	9.5%
NE	Noble Corporation plc	Energy	-51.5%	12.8	13.7	85.3%	26.2%
		Average =	45.7%	18.3	19.2	53.0%	56.9%
SPY	SPDR S&P 500 ETF Trust		8.2%				
RSP	Invesco S&P 500 Equal Weight		4.4%				
MDY	SPDR S&P MidCap 400 ETF Trust		-0.5%				
IWM	iShares Russell 2000 ETF		-3.7%				

This high-performance portfolio was led by 6 big winners—most notably AI-driven marketing software firm AppLovin, plus several recognizable names: entertainment powerhouse Netflix, mega-cap market darling NVIDIA (dominant in AI chips), cellular network carrier T-Mobile, and major cruise line Royal Carib.

They offset 4 laggards from oil & gas, retail apparel manufacturing, auto parts, and information management software

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 (6/30/25)

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	141.3%	34.9	48.7	45.5%	46.8%
NVDA	NVIDIA Corporation	Information Technology	107.4%	34.3	32.0	90.3%	77.2%
USFD	US Foods Holding Corp.	Consumer Staples	53.9%	16.0	19.5	18.5%	23.6%
PPC	Pilgrim's Pride Corporation	Consumer Staples	41.9%	11.4	8.9	84.4%	150.4%
WRB	W. R. Berkley Corporation	Financials	38.1%	13.6	16.2	20.8%	12.1%
SQSP	SquareSpace, Inc.	Information Technology	35.0%				
AMZN	Amazon.com, Inc.	Consumer Discretionary	25.6%	43.6	34.9	41.7%	72.0%
HMN	Horace Mann Educators Corporation	Financials	23.6%	11.1	10.5	98.9%	84.3%
GM	General Motors Company	Consumer Discretionary	17.7%	4.7	5.8	18.7%	33.2%
NE	Noble Corporation plc	Energy	-37.7%	14.3	23.5	72.8%	1.4%
RPD	Rapid7, Inc.	Information Technology	-47.8%	20.4	13.0	38.8%	13.3%
JAMF	Jamf Holding Corp.	Information Technology	-48.9%	33.9	11.1	76.3%	163.6%
CE	Celanese Corporation	Materials	-63.6%	13.6	10.2	27.6%	-23.9%
		Average =	18.2%	21.0	19.5	52.9%	54.5%
SPY	SPDR S&P 500 ETF Trust		26.7%				
RSP	Invesco S&P 500 Equal Weight		16.1%				
MDY	SPDR S&P MidCap 400 ETF Trust		11.1%				
IWM	iShares Russell 2000 ETF		13.3%				

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, an insurance firm, and a software infrastructure firm (that was acquired).

Laggards are 4 companies from specialty chemicals, oil & gas, and cloud cybersecurity infrastructure.

The portfolio is slightly underperforming the S&P 500 but is ahead of the equal-weight S&P 500 and other 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 (6/30/25)

Q3 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
CRS	Carpenter Technology Corporation	Materials	131.6%	21.2	32.5	50.2%	91.6%
NFLX	Netflix, Inc.	Communication Services	111.4%	33.4	48.4	33.8%	46.8%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	86.1%	14.2	19.8	33.0%	46.7%
USFD	US Foods Holding Corp.	Consumer Staples	47.4%	16.2	19.5	22.1%	23.6%
NVDA	NVIDIA Corporation	Information Technology	34.0%	41.4	31.6	62.4%	77.2%
FTI	TechnipFMC plc	Energy	22.3%	21.4	15.5	93.1%	189.6%
ALL	The Allstate Corporation	Financials	15.4%	13.5	9.7	78.6%	127.8%
PPC	Pilgrim's Pride Corporation	Consumer Staples	14.3%	10.5	9.0	59.9%	150.4%
MU	Micron Technology, Inc.	Information Technology	7.9%	15.4	10.7		
GM	General Motors Company	Consumer Discretionary	1.9%	5.2	5.9	19.5%	33.2%
XYZ	Block, Inc.	Financials	-0.2%	19.0	23.1	59.8%	37.5%
HALO	Halozyme Therapeutics, Inc.	Health Care	-3.7%	12.7	9.7	37.5%	46.8%
LNW	Light & Wonder, Inc.	Consumer Discretionary	-5.2%	23.8	15.6	79.3%	55.6%
		Average =	36.5%	19.1	19.3	52.4%	77.2%
SPY	SPDR S&P 500 ETF Trust		13.9%				
RSP	Invesco S&P 500 Equal Weight		9.7%				
MDY	SPDR S&P MidCap 400 ETF Trust		4.1%				
IWM	iShares Russell 2000 ETF		0.7%				

This portfolio so far has been led by a diverse mix of a mid-cap specialty metals company, mega-caps Netflix and NVIDIA, a major cruise line, and a packaged foods company.

The few laggards include automaker General Motors, a fintech payments firm, a biotech, and a video gaming company.

The portfolio is greatly outperforming SPY and all 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 (6/30/25)

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	96.7%	14.8	27.3	38.0%	32.7%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	56.6%	16.1	19.8	24.1%	34.8%
FTI	TechnipFMC plc	Energy	34.5%	16.8	15.5	57.5%	108.6%
STX	Seagate Technology Holdings plc	Information Technology	28.7%	16.7	15.3	425.6%	518.7%
HMN	Horace Mann Educators Corporation	Financials	16.3%	11.6	10.5	50.1%	87.9%
TSM	Taiwan Semiconductor Manufacturing	Information Technology	12.8%	26.1	23.7	41.0%	53.4%
ALL	The Allstate Corporation	Financials	3.0%	12.2	9.7	19.4%	36.9%
CPRX	Catalyst Pharmaceuticals, Inc.	Health Care	2.2%	10.5	10.9	114.1%	165.0%
HALO	Halozyme Therapeutics, Inc.	Health Care	-1.1%	11.7	9.7	36.5%	47.9%
TSN	Tyson Foods, Inc.	Consumer Staples	-6.8%	18.3	15.0	28.3%	51.6%
XYZ	Block, Inc.	Financials	-9.0%	18.4	23.1	44.3%	1.3%
SWK	Stanley Black & Decker, Inc.	Industrials	-36.3%	20.0	14.8	45.3%	7.3%
CE	Celanese Corporation	Materials	-59.3%	11.4	10.3	29.5%	-36.3%
		Average =	10.0%	15.7	15.8	73.4%	85.4%
SPY	SPDR S&P 500 ETF Trust		6.7%				
RSP	Invesco S&P 500 Equal Weight		1.2%				
MDY	SPDR S&P MidCap 400 ETF Trust		-2.1%				
IWM	iShares Russell 2000 ETF		-3.6%				

This portfolio so far has been led by a diverse mix including an omni-channel advertising platform, a major cruise line, an oil & gas services firm, and prominent digital storage hardware firm.

Laggards include a specialty materials company focused on engineered polymers, a power tools maker, a fintech payments firm, and a packaged foods/meats company.

The portfolio is performing ahead of all its relevant large, mid, and small cap indexes, including both cap-weight and equal-weight (gross total return).

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Q1 2025 *Baker's Dozen* Model Portfolio

Launch date (1/17/24) through current (6/30/25)

Q1 2025 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
COOP	Mr. Cooper Group Inc.	Financials	43.9%	8.1	11.0	34.1%	33.5%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	29.5%	17.0	19.8	20.3%	25.5%
PINS	Pinterest, Inc.	Communication Services	17.5%	18.1	19.0	18.3%	10.4%
AMD	Advanced Micro Devices, Inc.	Information Technology	16.8%	26.6	33.7	48.6%	21.4%
TSM	Taiwan Semiconductor Manufacturing	Information Technology	7.1%	24.1	23.7	43.1%	45.5%
FIX	Comfort Systems USA, Inc.	Industrials	6.4%	30.8	26.7	25.6%	44.0%
FTI	TechnipFMC plc	Energy	5.7%	17.6	15.5	29.5%	44.7%
AMZN	Amazon.com, Inc.	Consumer Discretionary	-2.9%	37.7	34.9	25.5%	34.0%
HALO	Halozyme Therapeutics, Inc.	Health Care	-5.1%	11.8	9.7	24.0%	31.3%
DBX	Dropbox, Inc.	Information Technology	-6.5%	11.9	10.6	11.7%	18.5%
MRK	Merck & Co., Inc.	Health Care	-19.2%	11.7	9.1	44.5%	41.9%
XYZ	Block, Inc.	Financials	-21.9%	20.6	23.1	34.6%	-14.6%
DAL	Delta Air Lines, Inc.	Industrials	-25.3%	8.7	9.1	23.3%	-15.2%
		Average =	**1.4%**	**18.8**	**18.9**	**29.5%**	**24.7%**
SPY	SPDR S&P 500 ETF Trust		4.0%				
RSP	Invesco S&P 500 Equal Weight		1.8%				
MDY	SPDR S&P MidCap 400 ETF Trust		-3.6%				
IWM	iShares Russell 2000 ETF		-3.8%				

This portfolio so far has been led by a mortgage servicing firm, a major cruise line, an interactive social media platform, and a large semiconductor company.

Laggards include a major airline, a fintech payments firm, and a major drugmaker.

So far, the portfolio is slightly trailing the S&P 500 but is in line or better than other relevant mid-cap, and small-cap benchmarks (gross total return).

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Q2 2025 *Baker's Dozen* Model Portfolio

Launch date (4/17/24) through current (6/30/25)

Q2 2025 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
STRL	Sterling Infrastructure, Inc.	Industrials	64.5%	17.6	25.8	30.9%	40.0%
AVGO	Broadcom Inc.	Information Technology	61.2%	25.3	36.2	29.0%	29.1%
TSM	Taiwan Semiconductor Manufacturing	Information Technology	49.3%	16.6	23.7	29.9%	31.7%
SPOT	Spotify Technology S.A.	Communication Services	33.6%	53.8	72.6	89.8%	51.5%
RNG	RingCentral, Inc.	Information Technology	24.5%	5.4	6.8	13.4%	13.4%
CHWY	Chewy, Inc.	Consumer Discretionary	20.9%	28.3	31.4	19.1%	23.4%
EAT	Brinker International, Inc.	Consumer Discretionary	17.5%	16.8	19.4	35.3%	40.0%
HRMY	Harmony Biosciences Holdings, Inc.	Health Care	11.0%	5.6	7.3	23.7%	7.5%
GILD	Gilead Sciences, Inc.	Health Care	6.1%	13.3	13.8	71.7%	72.5%
LNG	Cheniere Energy, Inc.	Energy	5.2%	18.3	19.1	30.2%	33.3%
QNST	QuinStreet, Inc.	Communication Services	0.2%	15.4	15.8	72.7%	61.2%
FNF	Fidelity National Financial, Inc.	Financials	-9.3%	10.3	10.0	28.4%	12.8%
ADMA	ADMA Biologics, Inc.	Health Care	-14.5%	29.5	35.2	45.2%	2.8%
		Average =	**19.5%**	**19.7**	**24.4**	**40.0%**	**32.3%**
SPY	SPDR S&P 500 ETF Trust		17.7%				
RSP	Invesco S&P 500 Equal Weight		12.2%				
MDY	SPDR S&P MidCap 400 ETF Trust		13.3%				
IWM	iShares Russell 2000 ETF		16.0%				

This brand-new portfolio so far has been led by construction & engineering firm, two semiconductor makers, and digital music streaming platform.

Laggards include a biotech, a title insurance company, and a digital marketing firm.

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

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SectorCast Rankings and Sector Rotation Model

Sabrient SectorCast Sector Rotation Strategy - As of 6/30/2025
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	57	47	95	90.0	57.6
HEALTHCARE	IYH	53	39	51	53	44.5	53.7
TELECOMMUNICATIONS	IYZ	46	47	58	46	56.3	75.3
FINANCIALS	IYF	44	55	52	44	69.8	53.4
INDUSTRIALS	IYJ	43	53	52	43	65.9	53.0
BASIC MATERIALS	IYM	43	47	54	43	55.4	60.0
CONSUMER DISCRETIONARY	IYC	40	54	49	40	66.7	41.1
ENERGY	IYE	34	45	59	34	48.9	73.7
CONSUMER STAPLES	IYK	31	31	64	31	23.2	90.0
UTILITIES	IDU	10	31	64	10	16.4	81.0

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 slightly bullish bias, as cyclicals and secular growth sectors are spread out across the rankings, but with defensive sectors Utilities and Staples at the bottom. Technology (dominated by the Big Tech, of course) is firmly at the top, particularly as its lofty valuation has receded, and cyclical sectors Financials, Materials, and Energy have risen nicely from the bottom. The primary negative is that only 2 sectors score above 50.

After valuations pulled back on defensive investor sentiment from the uncertainty (severity and duration) of tariffs and trade wars, they have surged back to previous highs along with the S&P 500 Index price as earnings growth forecasts have held up, inflation falls, the budget bill seems destined to be passed, and the Fed is expected to soon cut interest rates. Technology still displays the highest forward P/E (29.1x, as of 6/30) but remains at the top of the rankings due to still-solid EPS growth estimates (17.9%), a reasonable forward PEG ratio of 1.62, solidly positive sell-side analyst earnings revisions, the highest profit margins and return ratios, and substantial insider buying.

Our sector rotation model suggests a **bullish bias** based on the SPY being above both its 50-day and 200-day moving averages. So, the model suggests holding Technology (IYW), Financials (IYF) and Consumer Discretionary (IYC) as of 6/30.

Market Observations & Outlook - 1/2

1. GDP and jobs growth have been long over-reliant on government spending and its inefficient use of capital compared with the "crowded out" private sector. Inflation ticked up after a surge in federal spending in Oct-Jan, but now the disinflationary trend has resumed. After stocks pulled back on defensive investor sentiment from the uncertainty around trade wars and the budget bill, the S&P 500 and Nasdaq 100 have surged back to previous highs on renewed optimism as earnings growth forecasts have held up, inflation falls, the budget bill seems destined to be passed, AI applications gain steam, and the Fed seems ready to cut rates.

2. Allowing slightly elevated inflation around 2.4% 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, organic private sector growth—leading to rising productivity, margins, earnings, jobs, wages, GDP—and tax receipts (which since 1950 have averaged 17% of GDP no matter the tax rate). Private enterprise is much better at efficient capital allocation and ROI than government bureaucrats.

3. The Fed remains behind the curve as it worries about phantom inflation. A terminal rate of 3.25-3.50% seems right vs. today's 4.25-4.50%. Bond yields have normalized with the 10-year Treasury falling to 4.25%, flattening the yield curve and signaling to the Fed it should cut. The market needs lower interest rates in tandem with business-friendly fiscal policy, including a 5% 30-year mortgage rate and weaker dollar to support US and global economies, allow other central banks to inject liquidity, avert global recession and credit crisis, and relieve indebted consumers and businesses.

4. Valuations are high again, but minus Big Tech concentration, they are more reasonable. To illustrate, the forward P/E on cap-weighted Nasdaq 100 (QQQ)=27.9x and S&P 500 (SPY)=22.9x, but equal-weight Nasdaq 100 (QQQE)=25.2x and S&P 500 (RSP)=17.8x, while S&P 600 small-cap (SPSM)=14.9x, as of 6/30.

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Market Observations & Outlook - 2/2

5. Investor uncertainty remains with trade deals, rising debt, and the "One Big Beautiful Bill." But expected H1 market volatility has not materialized, so we likely have seen the lows in stocks as investors position for tax and interest rate cuts, deregulation, solid earnings, and rising liquidity. Positive signs are emerging pointing to resolution of both trade wars and hot wars, tax cuts, re-privatization, deregulation, strong earnings and capex commitments, lower inflation, and Fed rate cuts. These should combine to foster a resumption in foreign capital flow into the US, cut deficit-to-GDP ratio (from today's lofty 6.6%), unleash organic private sector growth, and quiet the noise such that stock prices are once again driven by earnings and liquidity.

6. At the core of an equity portfolio still should be US Tech stocks, given the entrepreneurial culture of US, disruptive innovation, and world-leading ROI that attract foreign capital, as well as Big Tech's huge cash stores, wide moats, global scalability, resilient and durable earnings growth, free cash flow, margins. But a broadening market should also create opportunities in small caps, value, quality, cyclicals, and equal-weight indexes, including industrials, homebuilders, banks, insurers, energy services, and healthcare. Also, falling interest rates and rising liquidity suggests dividend stocks, gold, and bitcoin. Small caps can offer the most explosive growth opportunities, even if the broad small-cap indexes can't keep up with the S&P 500.

7. Rather than the passive cap-weighted indexes, 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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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

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