# Sabrient®

# *Baker's Dozen* Update and Market Outlook

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

1. *Market observations*
2. *Description of Sabrient's enhanced selection process*
3. *Performance update*
4. *Overview of the new Q1 2023 Baker's Dozen*
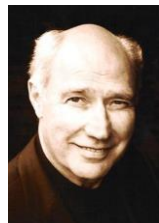5. *Market outlook*

Updated 3/1/2023

Scott Martindale
President & CEO

Brent Miller, CFA
President of Gradient

David Brown
Founder & Chief Market Strategist

**Sabrient Systems LLC**
*Quantitative equity research, rankings, strategies*

**Gradient Analytics LLC**
*Fundamental forensic accounting research*

# Summary Talking Points

1. Sabrient leverages a <u>unique collaboration of engineers and forensic accountants</u>, quantitative models, and a process-driven "*quantamental*" methodology (<u>quant</u>itative screen plus fund<u>amental</u> review & selection).

2. Our portfolios displayed <u>consistently strong performance</u> in 2009–2014 of, but then the market became narrow & news-driven leading to historic performance divergences in Growth over Value factors and Large over Small caps during 2015-2019, which was challenging for our value & quality-oriented *Growth at a Reasonable Price (GARP)* strategy.

3. <u>Process enhancements</u> in December 2019 made our portfolios more all-weather by combining Quality, Value, and Growth factors to provide <u>balanced exposure</u> to value and growth factors, cyclical and secular growth trends, and across market caps. => Improved performance and lower volatility—*while maintaining potential for significant outperformance vs. benchmarks*

4. <u>19 of our 22 live (or recently terminated) portfolios are outperforming</u> (several quite substantially) or staying within 1% of their benchmarks. This includes *Baker's Dozen*, Dividend, Small Cap Growth, and Forward Looking Value portfolios.

5. Our <u>Dividend portfolio seeks both capital appreciation and solid yield</u> of 4% or more. *Dividend 42 offers 4.7% current yield.*

6. Inflation stopped its rapid fall in February, leading bond yields to jump on fears that a highly anticipated Fed pause and dovish pivot are still a ways off. Nevertheless, we think inflation will soon resume its descent as disinflationary trends resume.

7. Valuation multiples on broad market indexes remain optimistically <u>elevated despite a hawkish Fed</u> and concerns about war, geopolitical turmoil, recession, and corporate earnings. Forward P/E for S&P 500 and S&P 600 small caps are 17.7x and 13.6x.

8. Instead of the passive, mega-cap-dominated market indexes that have been so hard to beat, <u>investors may be better served by active strategies</u> that exploit performance dispersion among stocks. This should continue to be *favorable for Sabrient's portfolios,* which combine Value, Quality, and Growth factors and provide exposure to both secular and cyclical growth.

9. We continue to suggest staying <u>long but hedged, with a heightened emphasis on quality</u> and a balance between value/cyclicals/dividend payers and high-quality secular growers. Energy remains our top-ranked sector.

# Company Overview

➢ **Sabrient Systems LLC** – founded in 2000 in Santa Barbara, CA

- ▪ *Quantitative* fundamentals-based multifactor models

- ▪ Diverse team of engineers/analysts/programmers, led by former **NASA** engineer (Apollo 11 moon landing) David Brown and former **Chevron** engineer Scott Martindale

- ▪ Numbers-driven; Bottom-up rather than top-down

- ▪ In 2009, introduced *quantamental* GARP approach for *Baker's Dozen* annual portfolio (13 top picks)

➢ **Gradient Analytics LLC** – founded in 1996 in Phoenix, AZ and acquired by Sabrient in 2011

- ▪ *Fundamental* forensic accounting analysis (earnings quality)

- ▪ Team of finance & accounting analysts, led by Brent Miller, CFA

- ▪ Together we built proprietary **Earnings Quality Rank (EQR)**

➢ Combined team leverages a unique **collaboration of engineers and forensic accountants**:

- ▪ Engineers bring **process-driven** methodology and **scientific** hypothesis-testing approach

- ▪ Forensic accountants bring unique insights into **financial statement analysis**

- ▪ Together we offer quantitative and fundamental equity research, datasets, rankings, tools, strategies => *including portfolios for UITs, indexes for ETFs and TAMPs, and insightful market commentaries*

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# "Quantamental" approach with a forensic accounting overlay

**1. <u>Quant</u>itative screen** to narrow large eligible universe (50-100 names)

Forward P/E, Forward EPS growth, recent dynamics of analyst consensus estimates, Earnings Quality Rank (EQR), and Growth Quality Rank (GQR)

**2. Fund<u>amen</u>tal analysis** to identify top candidates (~25 names)

Still mainly numbers-driven, but not algorithmic

**3. Forensic accounting review** of top candidates

Earnings quality, aggressive practices, insider selling, governance

**4. 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 they fail to materialize.
2) Investor sentiment turns defensive, leading to narrow market breadth.

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* – Model Portfolio Performance (rebalanced each January)

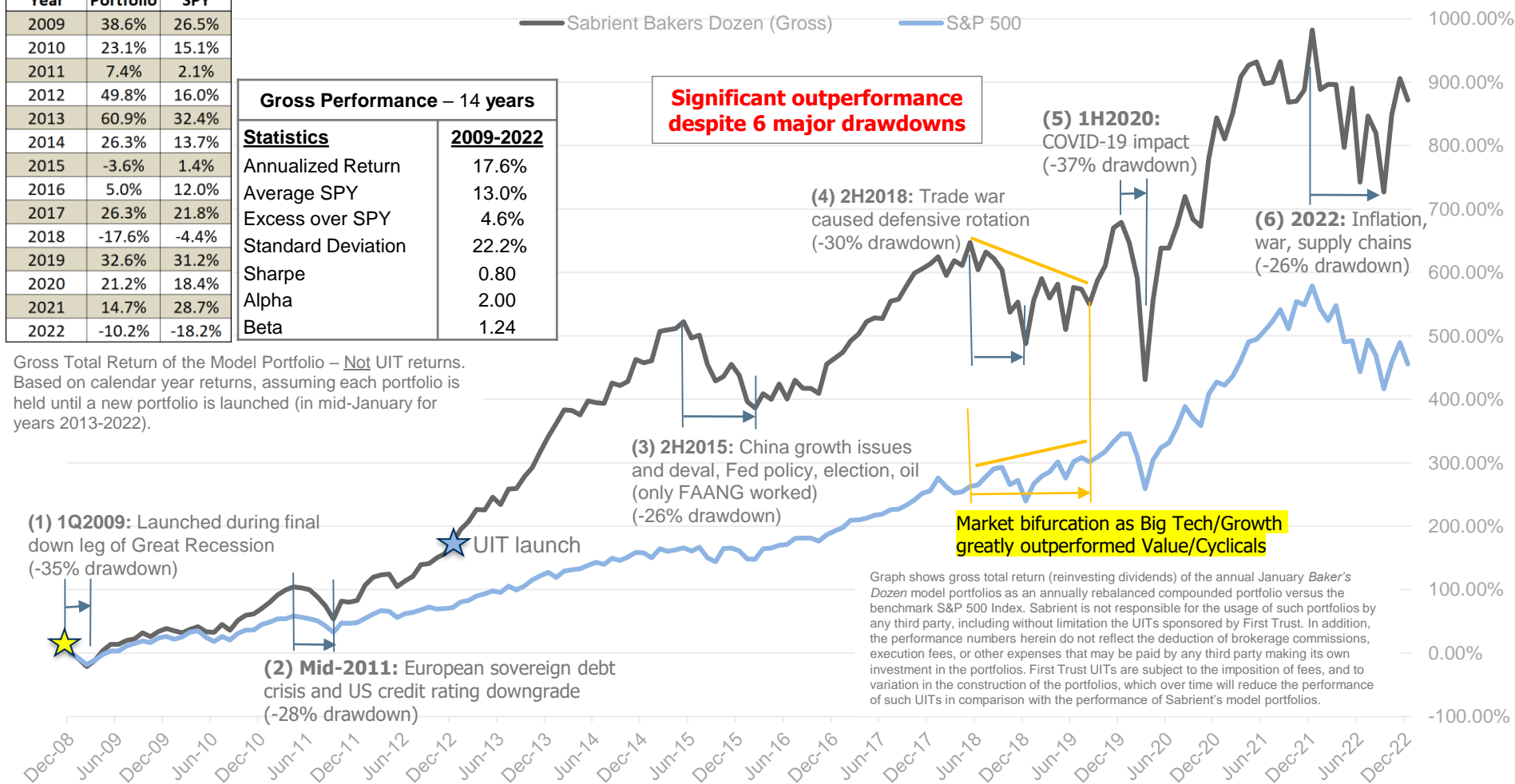(1/1/2009 inception thru 12/31/2022, end-of-month data points)

| 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 | 14.7% | 28.7% |
| 2022 | -10.2% | -18.2% |

| Gross Performance – 14 years | |
|---|---|
| **Statistics** | **2009-2022** |
| Annualized Return | 17.6% |
| Average SPY | 13.0% |
| Excess over SPY | 4.6% |
| Standard Deviation | 22.2% |
| Sharpe | 0.80 |
| Alpha | 2.00 |
| Beta | 1.24 |

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 2013-2022).

**Significant outperformance despite 6 major drawdowns**

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

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

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

**(6) 2022:** Inflation, war, supply chains (-26% drawdown)

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

**Market bifurcation as Big Tech/Growth greatly outperformed Value/Cyclicals**

**(1) 1Q2009:** Launched during final down leg of Great Recession (-35% drawdown)

UIT launch

**(2) Mid-2011:** European sovereign debt crisis and US credit rating 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.

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# Performance of live portfolios since new enhancements – as of 3/1/2023

**Baker's Dozen & FLV - Gross return thru: 3/1/2023**

| 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 | | 11.9% | -10.2% | 22.1% |
| Q2 2022 BD | 4/20/22 | | 11.2% | -10.1% | 21.3% |
| FLV 10 | 7/15/22 | | 21.7% | 3.4% | 18.3% |
| Q3 2022 BD | 7/20/22 | | 15.3% | 0.9% | 14.5% |
| Q4 2022 BD | 10/20/22 | | 5.4% | 8.5% | -3.1% |
| Q1 2023 BD | 1/20/23 | | 2.0% | -0.3% | 2.3% |

**Sabrient Dividend - Gross return thru: 3/1/2023**

| Portfolio | Launch | Close | Gross Return | SPY Return | Active |
|---|---|---|---|---|---|
| Div 34 | 12/21/20 | 12/21/22 | 19.8% | 8.1% | 11.7% |
| Div 35 | 3/19/21 | | 7.5% | 4.0% | 3.5% |
| Div 36 | 6/22/21 | | 10.4% | -4.6% | 14.9% |
| Div 37 | 9/20/21 | | 17.4% | -7.3% | 24.7% |
| Div 38 | 12/20/21 | | 10.6% | -11.8% | 22.4% |
| Div 39 | 3/18/22 | | -2.7% | -10.0% | 7.3% |
| Div 40 | 6/15/22 | | 5.2% | 5.5% | -0.3% |
| Div 41 | 9/12/22 | | -3.1% | -3.1% | 0.0% |
| Div 42 | 12/9/22 | | -1.2% | 0.8% | -2.0% |

**Small Cap Growth - Gross return thru: 3/1/2023**

| Portfolio | Launch | Close | Gross Return | IWM Return | Active |
|---|---|---|---|---|---|
| SCG 31 | 9/8/21 | 12/8/22 | 9.2% | -18.0% | 27.1% |
| SCG 32 | 12/6/21 | | 3.4% | -12.5% | 15.8% |
| SCG 33 | 3/4/22 | | 5.3% | -3.8% | 9.1% |
| SCG 34 | 6/1/22 | | 11.6% | 3.5% | 8.1% |
| SCG 35 | 8/29/22 | | 8.8% | 1.6% | 7.1% |
| SCG 36 | 11/14/22 | | 0.6% | 2.4% | -1.8% |
| SCG 37 | 2/10/23 | NEW! | | | |

All portfolios launched since December 2019 were created with our *enhanced* **GARP selection process**, which provides a balance between secular and cyclical growth and across market caps.

This appears to have **boosted relative performance versus benchmarks** while striving for consistent "all-weather" performance … *and 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 **currently live portfolios** (plus two that just terminated in December).

**19 of the 22 live portfolios** (plus the 3 that recently terminated) are outperforming or staying even with (within 1%) their benchmarks (and the other 3 aren't trailing by much).
Also, **33 of the 42 portfolios** selected since enhancements were implemented in December 2019 have either outperformed or stayed even with (within 1%) their benchmarks in a challenging market climate that includes pandemic lockdowns, disrupted supply chains, war in Europe, the worst inflation in 40 years, and Fed monetary tightening.

Notably, the **Dividend portfolio** is not purely yield-focused. Instead, it is a GARP+Income strategy that seeks *quality* stocks with solid *growth* potential and attractive valuations, as well as a history of raising dividends, a good dividend coverage ratio, and an aggregate dividend yield approaching 4% or more.
(Note: **Dividend 42 has current yield of 4.7%**.)

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# Q4 2021 *Baker's Dozen* Model Portfolio – last to terminate

Launch date (10/20/2021) through termination (1/20/2023)

**Q4 2021 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 |
|--------|-------------|--------|--------|-------------------|-----------------|-------------------------------|-------------------|
| DVN | Devon Energy Corporation | Energy | 58.3% | 9.8 | 8.1 | 321.6% | 277.5% |
| ACGL | Arch Capital Group Ltd. | Financials | 46.5% | 12.4 | 11.7 | 38.8% | 38.1% |
| FANG | Diamondback Energy, Inc. | Energy | 32.7% | 8.2 | 6.4 | 121.4% | 164.5% |
| KLAC | KLA Corporation | Information Technology | 25.0% | 17.1 | 19.5 | 33.7% | 46.0% |
| TJX | The TJX Companies, Inc. | Consumer Discretionary | 24.6% | 20.1 | 23.9 | 41.7% | 29.1% |
| NTR | Nutrien Ltd. | Materials | 19.2% | 13.0 | 8.8 | 140.1% | 239.0% |
| TMHC | Taylor Morrison Home Corporation | Consumer Discretionary | 16.1% | 4.6 | 4.7 | 64.0% | 120.5% |
| WLK | Westlake Corporation | Materials | 11.9% | 7.7 | 11.2 | 76.4% | 80.5% |
| BLD | TopBuild Corp. | Consumer Discretionary | -17.8% | 18.8 | 12.4 | 30.6% | 60.4% |
| AMAT | Applied Materials, Inc. | Information Technology | -18.2% | 16.8 | 17.1 | 29.8% | 12.4% |
| HRI | Herc Holdings Inc. | Industrials | -23.3% | 20.7 | 11.0 | 63.2% | 60.9% |
| WRK | WestRock Company | Materials | -24.2% | 9.6 | 9.6 | 75.1% | 41.7% |
| MRNA | Moderna, Inc. | Health Care | -41.7% | 7.5 | 35.5 | 452.6% | 69.5% |
| | | Average = | +9.1% | 12.8 | 13.8 | 114.5% | 95.4% |
| SPY | SPDR S&P 500 ETF Trust | | -10.8% | | | | |
| RSP | S&P 500 Equal-Weight | | -4.6% | | | | |
| MDY | SPDR S&P MidCap 400 ETF Trust | | -6.6% | | | | |
| IWM | iShares Russell 2000 ETF | | -17.2% | | | | |
| EWMC | S&P 400 MidCap Equal-Weight | | -4.4% | | | | |
| EWSC | S&P 600 SmallCap Equal-Weight | | -9.9% | | | | |

Strong performers led by energy companies and other cyclical names offset a variety of laggards from biotech, construction, and packaging.

Some of the losers, like construction suppliers HRI and BLD, met or exceeded EPS estimates with solid forward guidance—but still sold off, with their forward P/Es cut in half.

Nevertheless, the portfolio has outperformed *(by a wide margin)* all relevant large cap, mid-cap, and small-cap benchmarks (including both cap-weight and equal-weight).

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# Q1 2022 *Baker's Dozen* Model Portfolio – next to terminate

Launch date (1/20/2022) through 3/1/2023 (will terminate on 4/20/23)

| Q1 2022 Baker's Dozen Portfolio | | | | | | Est. NTM EPS | |
|---|---|---|---|---|---|---|---|
| Ticker | Company Name | Sector | Return | Fwd P/E at Launch | Current Fwd P/E | Growth at Launch | Actual EPS Growth |
| ACLS | Axcelis Technologies, Inc. | Information Technology | 117.0% | 16.8 | 22.1 | 64.7% | 88.9% |
| ACGL | Arch Capital Group Ltd. | Financials | 55.5% | 11.0 | 12.0 | 45.1% | 35.0% |
| TEX | Terex Corporation | Industrials | 43.0% | 12.1 | 12.2 | 30.9% | 27.5% |
| DVN | Devon Energy Corporation | Energy | 21.6% | 9.3 | 7.5 | 146.5% | 136.1% |
| ARCB | ArcBest Corporation | Industrials | 11.9% | 10.2 | 9.7 | 36.0% | 63.0% |
| TOL | Toll Brothers, Inc. | Consumer Discretionary | 2.6% | 5.9 | 7.0 | 53.2% | 61.5% |
| AEL | American Equity Investment Life Holdi | Financials | 1.6% | 9.2 | 8.4 | 51.0% | 29.6% |
| KLAC | KLA Corporation | Information Technology | 0.3% | 18.0 | 20.7 | 35.5% | 37.1% |
| DAR | Darling Ingredients Inc. | Consumer Staples | -1.1% | 13.0 | 11.4 | 50.9% | 21.1% |
| HRI | Herc Holdings Inc. | Industrials | -5.1% | 15.2 | 10.0 | 62.5% | 50.2% |
| PFE | Pfizer Inc. | Health Care | -22.5% | 9.1 | 11.4 | 56.2% | 48.9% |
| WDC | Western Digital Corporation | Information Technology | -36.4% | 7.4 | NE | 32.2% | -59.7% |
| CHTR | Charter Communications, Inc. | Communication Services | -36.6% | 19.4 | 10.5 | 37.3% | 23.9% |
| | Average | | +11.9% | 12.0 | 11.9 | 54.0% | 43.3% |
| SPY | SPDR S&P 500 ETF Trust | | -10.2% | | | | |
| RSP | Invesco S&P 500 Equal Weight | | -4.1% | | | | |
| MDY | SPDR S&P MidCap 400 ETF Trust | | 0.4% | | | | |
| IWM | iShares Russell 2000 ETF | | -4.8% | | | | |
| EWMC | S&P 400 MidCap Equal-Weight | | 1.7% | | | | |
| EWSC | S&P 600 SmallCap Equal-Weight | | -2.7% | | | | |

Strong performers led by a specialty semiconductor firm, an insurance company, an industrial equipment maker, and an oil & gas producer offset a variety of laggards from InfoTech, Comm Services, and Healthcare.

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

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## Sabrient Portfolios

➢ **Q1 2023 Baker's Dozen** (13 stocks) launched on 1/20

➢ **Forward Looking Value 10** (35 stocks) launched on 7/15

➢ **Small Cap Growth 37** (41 stocks) launched on 2/10

➢ **Dividend 42** (47 stocks, GARP+Income) launched on 12/9

⇒ *Current Yield of 4.7%*

⇒ *Dividend 43 launches on 3/8*

# New *Q1 2023 Baker's Dozen* Portfolio – statistics upon launch

Launch date: 1/20/2023

| Ticker | Company Name | Sector | Industry | Mkt Cap ($B) | NTM EPS Growth | Fwd PE | Fwd PEG | Div Yield | EQR | GQR |
|--------|--------------|--------|----------|--------------|----------------|--------|---------|-----------|-----|-----|
| ACGL | Arch Capital Group | Financials | Property and Casualty Insurance | 23.3 | 36.9% | 11.6 | 0.31 | 0.0% | 5 | 10 |
| COLL | Collegium Pharmaceutical | Health Care | Pharmaceuticals | 0.9 | 122.8% | 4.1 | 0.03 | 0.0% | 5 | 4 |
| DAL | Delta Air Lines | Industrials | Airlines | 24.5 | 60.4% | 7.5 | 0.12 | 0.0% | 4 | 7 |
| DAR | Darling Ingredients | Consumer Staples | Agricultural Products | 10.4 | 42.8% | 9.9 | 0.23 | 0.0% | 4 | 8 |
| EQT | EQT Corporation | Energy | Oil and Gas Exploration and Production | 12.5 | 109.6% | 5.2 | 0.05 | 1.8% | 3 | 9 |
| EVBG | Everbridge | Information Technology | Application Software | 1.1 | 401.2% | 23.7 | 0.06 | 0.0% | 5 | 7 |
| EXTR | Extreme Networks | Information Technology | Communications Equipment | 2.4 | 43.0% | 16.9 | 0.39 | 0.0% | 5 | 9 |
| LNTH | Lantheus Holdings | Health Care | Health Care Supplies | 3.7 | 31.9% | 13.3 | 0.42 | 0.0% | 5 | 10 |
| MKL | Markel Corporation | Financials | Property and Casualty Insurance | 18.5 | 33.4% | 17.6 | 0.53 | 0.0% | 5 | 9 |
| NEX | NexTier Oilfield Solutions | Energy | Oil and Gas Equipment and Services | 2.1 | 97.9% | 4.1 | 0.04 | 0.0% | 4 | 8 |
| PFBC | Preferred Bank | Financials | Regional Banks | 1.0 | 8.8% | 7.3 | 0.83 | 3.1% | 5 | 10 |
| TALO | Talos Energy | Energy | Oil and Gas Exploration and Production | 1.7 | 29.5% | 4.9 | 0.17 | 0.0% | 3 | 8 |
| ZION | Zions Bancorporation | Financials | Regional Banks | 7.4 | 26.2% | 7.6 | 0.29 | 3.4% | 4 | 7 |
| | | | **Average:** | 8.4 | 80.3% | 10.3 | 0.13 | 0.6% | 4.4 | 8.2 |

Notes

➤ Diverse (but small-biased) Large/Mid/Small cap mix of 2/4/7
➤ 7 Value and 6 Growth stocks
➤ 6 *secular* growth Tech/Healthcare/Consumer/Insurance companies balanced with 7 *cyclical* growth Energy/Bank/Airline names

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

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# Rotation toward Quality and Value stalls in the new year
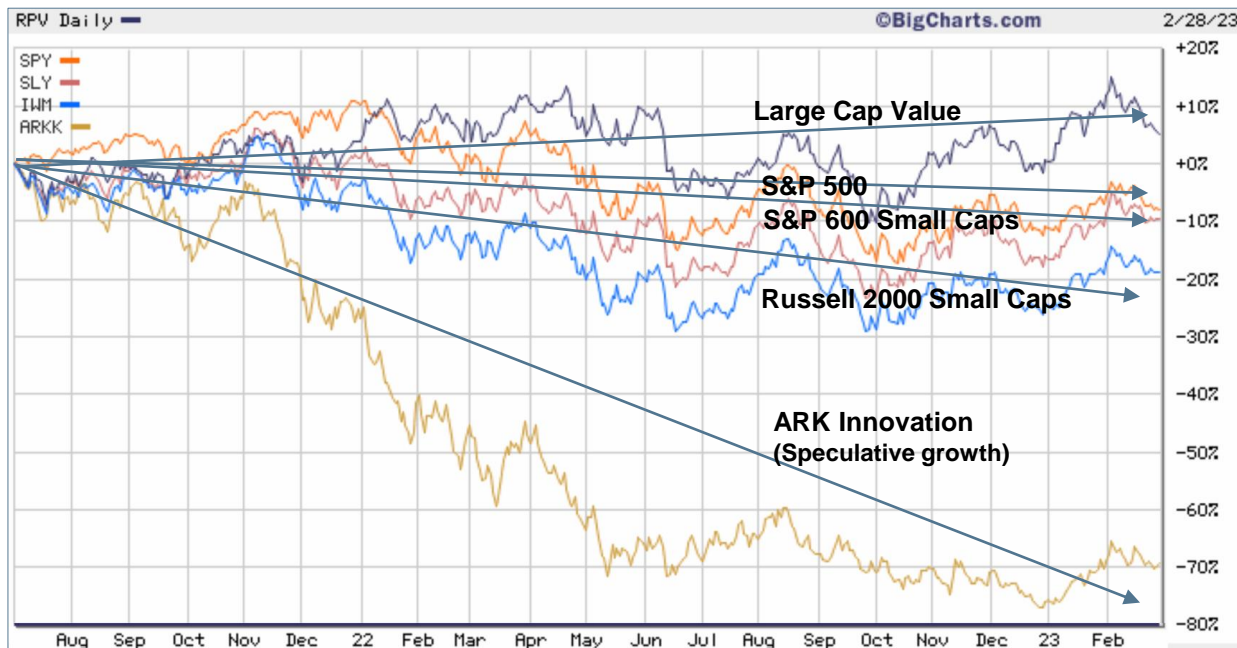


**Forward P/E (as of 1/23/2023):**

RPV =      9.6   Large Cap Pure Value (subset of S&P 500)
SLY =    13.6   S&P 600 Small Caps (positive earnings requirement)
IWM =    14.2   Russell 2000 Small Caps (no quality requirement)
SPY =    17.8   S&P 500
ARKK =  42.2   ARK Innovation (speculative growth)

Chart illustrates quality preference within small caps (SLY outperforming IWM)
as well as preference for value over speculative growth, and large over small caps.

## Sabrient SectorCast ETF Rankings
### (as of 3/1/2023)

| Dow Jones U.S. Sector | Tracking ETF | Outlook Score |
|---|---|---|
| ENERGY | IYE | 95 |
| TECHNOLOGY | IYW | 71 |
| INDUSTRIALS | IYJ | 60 |
| CONSUMER STAPLES | IYK | 57 |
| CONSUMER DISCRETIONARY | IYC | 50 |
| FINANCIALS | IYF | 44 |
| HEALTHCARE | IYH | 37 |
| TELECOMMUNICATIONS | IYZ | 34 |
| BASIC MATERIALS | IYM | 27 |
| UTILITIES | IDU | 5 |

Current rankings are mostly bullish, with cyclicals and secular growers generally rated higher than defensives. Energy is by far the strongest, with a single-digit forward P/E (9.8x), the strongest EPS growth estimates (19.3%), high return ratios, and favorable analyst revisions.

# Market Outlook - 1

1. Inflation's fall has stalled but is still in a downtrend as supply chains and labor markets recover; US dollar remains strong; energy, commodity, and shipping prices stabilize; and the Fed lessens monetary accommodation, reducing excess demand (and perhaps inducing a mild recession).

2. After a rousing January rally on inflation optimism, February saw a disappointing 50% retracement of the rally in US stocks and 100% retracement in Treasury bond prices. We anticipated H1 2023 trading range in S&P 500 of 3600–4100 but remain optimistic about H2.

3. Bond yields reversed their downtrend in February out of fear of a hawkish Fed. But the Fed may have to temper its hawkish policies and live with somewhat higher inflation than its 2% target to ensure a sufficient supply of dollars for global finance and to stop "exporting" inflation via the strong dollar.

4. Valuation multiples on broad market indexes remain elevated in the face of a hawkish Fed and concerns about war, geopolitical turmoil, recession, and corporate earnings. Forward P/E for S&P 500 and S&P 600 small caps are now 17.7x and 13.6x (as of 3/1/2023).

# Market Outlook - 2

5. Given the historical 90% correlation between economic growth and corporate profits, the passive, broad-market, mega-cap-dominated indexes that have been so hard for active managers to beat in the past may see further volatility.

6. Investors may be better served by pursuing active strategies that can exploit the performance dispersion among individual stocks, which should be <u>favorable for Sabrient's portfolios</u>—which combine Value, Quality, and Growth factors and provide exposure to both secular and cyclical growth opportunities.

7. We suggest staying *long but hedged,* with a heightened <u>emphasis on quality</u> and a balance between 1) value/cyclicals & dividend payers and 2) high-quality secular growers.

**Main Risks:**
   (1) Catastrophic escalation in Russia's war on Ukraine (risk is rising)
   (2) New COVID lockdowns in China that stunts supply chains (risk is falling)
   (3) Untamed "structural" inflation or a Fed policy mistake (risk is rising)
   (4) Corporate earnings fall far short of expectations (risk is falling)
   (5) Escalation in global financial/technological/military conflicts (especially with China)

# Proposal: Sabrient Quality Index Series (for ETF or TAMP licensing)

Comprises 5 broad-market and 5 sector-specific, rules-based, quarterly rebalanced, strategic beta and thematic indexes for ETF licensing (the most timely are **highlighted**):

1. *Sabrient Armageddon Portfolio*  (for tumultuous market conditions, like now!!)

2. *Sabrient Quality Growth Plus Income Index*  (combines solid growth with high dividend yield)

3. **Sabrient Quality Growth Index**  (similar to *Baker's Dozen* quant prescreen)

4. **Sabrient SMID Quality Growth Index**  (similar to *Small Cap Growth* portfolio)

5. **Sabrient Earnings Quality Leaders Index**  (focusing on Gradient's EQR model)

6. **Sabrient Quality Growth Healthcare Index**

7. **Sabrient Quality Growth InfoTech Index**

8. **Sabrient Quality Growth Infrastructure Index**

9. **Sabrient Quality Energy Index**

10. *Sabrient Quality Legacy & Green Energy Index*

> **If you are interested in any of these concepts, please tell your favorite ETF wholesaler … or contact me about TAMP access!**

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

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# Resources

1. **Quarterly** *Baker's Dozen* **"talking points" tear sheet**

   ➢ Send email request to:  **support@Sabrient.com**

2. **Visit http://BakersDozen.Sabrient.com**

   ➢ Latest performance info, slide deck, commentary, talking points sheet

3. *Sector Detector*  **newsletter / blog post**

   ➢ Go to sign-up box on **Sabrient.com** home page

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