Sabrient®

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 that seek to outperform market benchmarks.

Portfolio Update and Market Outlook

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

1. ***NEW!* Small Cap Growth 52** — *alpha-seeking potential for a broadening market*
2. ***Forward Looking Value 14*** — *our annual value portfolio with solid growth potential*
3. ***Q3 2026 Baker's Dozen Portfolio*** — *detailed overview of our flagship alpha-seeking portfolio*
4. ***Dividend 57*** — *growth & income portfolio offering bond-like income with capital appreciation potential*
5. ***Summary talking points*** — *for advisors and investors*
6. ***Performance update*** — *including long-term chart of the Baker's Dozen Annual Model Portfolio*
7. ***Market observations & outlook***
8. ***Sabrient Scorecard Subscription***

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Summary Talking Points

1. The **Baker's Dozen Annual Model Portfolio** launched January 2009 (near bottom of Global Financial Crisis). Over the full 17½ years through 6/30, it shows an average annual gross total return of **+22.1%** vs. +14.9% for SPY, and outperformance has been accelerating over the last 3 years (Slide 4).
2. Our suite of portfolios includes quarterly **Baker's Dozen, Dividend, and Small Cap Growth**, and annual **Forward Looking Value**. Of our most recent portfolios over the past 3 years, **36 of 42 (86%)** have outperformed or stayed even with their benchmarks (gross total return) (Slide 7).
3. The **new** **Small Cap Growth 52** just launched on 9/15. It provides an alpha-seeking alternative to a passive position in the Russell 2000 for small-cap exposure given improving market breadth. The next-to-terminate SCG 47 is up **+40.4%** vs. +22.2% for S&P SmallCap 600 Growth (SLYG), as of 9/15.
4. The **new** **annual Forward Looking Value 14** just launched on 8/26 with a diverse mix of 31 stocks across 9 business sectors and a 15/16 Large/SMID-cap mix (Slide 6). Last year's FLV 13 terminates on 11/17 and is up **+35.7%** vs. +18.2% for S&P 500 Value (SPYV) as of 9/15.
5. **Q3 2026 Baker's Dozen** launched on 7/20 with 13 concentrated positions across 8 business sectors, with a 7/4/2 large/mid/small-cap split and 7/6 Growth/Value split (Slide 5). It is designed to offer potential for outsized gains. For example, Q1 2024 Baker's Dozen finished **+45.7%** vs. +8.2% for SPY, Q1 2025 finished **+46.7%** vs. +20.3% for SPY, and Q1 2026 is up **+27.0%** vs. +12.4% for SPY as of 9/15.
6. **Dividend 57** launched on 8/4 with 48 stocks. It offers a **current yield of 3.81%** and employs a Growth & Income strategy with bond-like yield while seeking capital appreciation from high-quality companies. All 8 live Dividend portfolios are beating the S&P 500 High-Dividend (SPYD) benchmark.
7. The **First Trust Long-Short ETF (FTLS)** is an actively managed, low-beta portfolio that licenses as a quality prescreen Sabrient's Earnings Quality Rank (EQR), an accounting-based risk assessment signal used in all our portfolio strategies. The fund now has over **$2.5 billion** in AUM.
8. Our **Sector Rotation Model** Portfolio continues to reflect a bullish bias and suggests holding Technology, Telecom, and Financials (Slide 9).
9. Uncertainties persist with Iran, oil prices, supply chains, trade deals, Ukraine, federal debt/deficit, sticky inflation, stagnant jobs, rising yields, Fed policy, midterm elections, and AI backlash. But fundamental **tailwinds outweigh headwinds** in our view given AI optimism and capex, deregulation, lower taxes, re-privatization, re-industrialization, rising corporate productivity/margins/earnings, low credit spreads, and structural disinflationary trends (Slides 10-11).
10. Given healthy market broadening beyond Big Tech, rather than investing in the passive cap-weighted indexes dominated by mega caps, **investors may be better served by active stock selection** that seeks under-the-radar and undervalued gems primed for explosive growth. *This is what Sabrient aims 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.
11. We continue to enhance our **process-driven methodology** and "quantamental" selection approach with AI tools and new models (Slides 12-13). You can access many of our models through **Sabrient Scorecards for Stocks and ETFs** at ***Moon Rocks to Power Stocks*** (slide 14).

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Sabrient Portfolios: leveraging our "quantamental" approach

- **Q3 2026 Baker's Dozen** (quarterly, 13 stocks) launched 7/20
  - ⇒ *Our flagship product is a concentrated, all-cap, alpha-seeking portfolio*
  - ⇒ *Balances value and cyclical growth with high-quality (not speculative) secular growers*

- **Forward Looking Value 14** (<u>annual</u>, 31 stocks) launched 8/26
  - ⇒ *Less-concentrated and more value-oriented version of the Baker's Dozen*
  - ⇒ *With 50/50 Large/SMID-cap mix, it may benefit from improving market breadth*

- **Dividend 57** (quarterly, 48 stocks) launched 8/4
  - ⇒ *High-quality GARP + Income portfolio; bond-like income with capital appreciation*
  - ⇒ *Current Yield of **3.81%** on NAV as of 9/15*

- **Small Cap Growth 52** (quarterly, 44 stocks) launched 9/15
  - ⇒ *Alpha-seeking alternative to the passive Russell 2000 for small cap exposure*
  - ⇒ *May benefit from improving market breadth and mean reversion of Small vs. Large cap*

Sabrient Baker's Dozen Annual Model Portfolio (reconstituted each January)

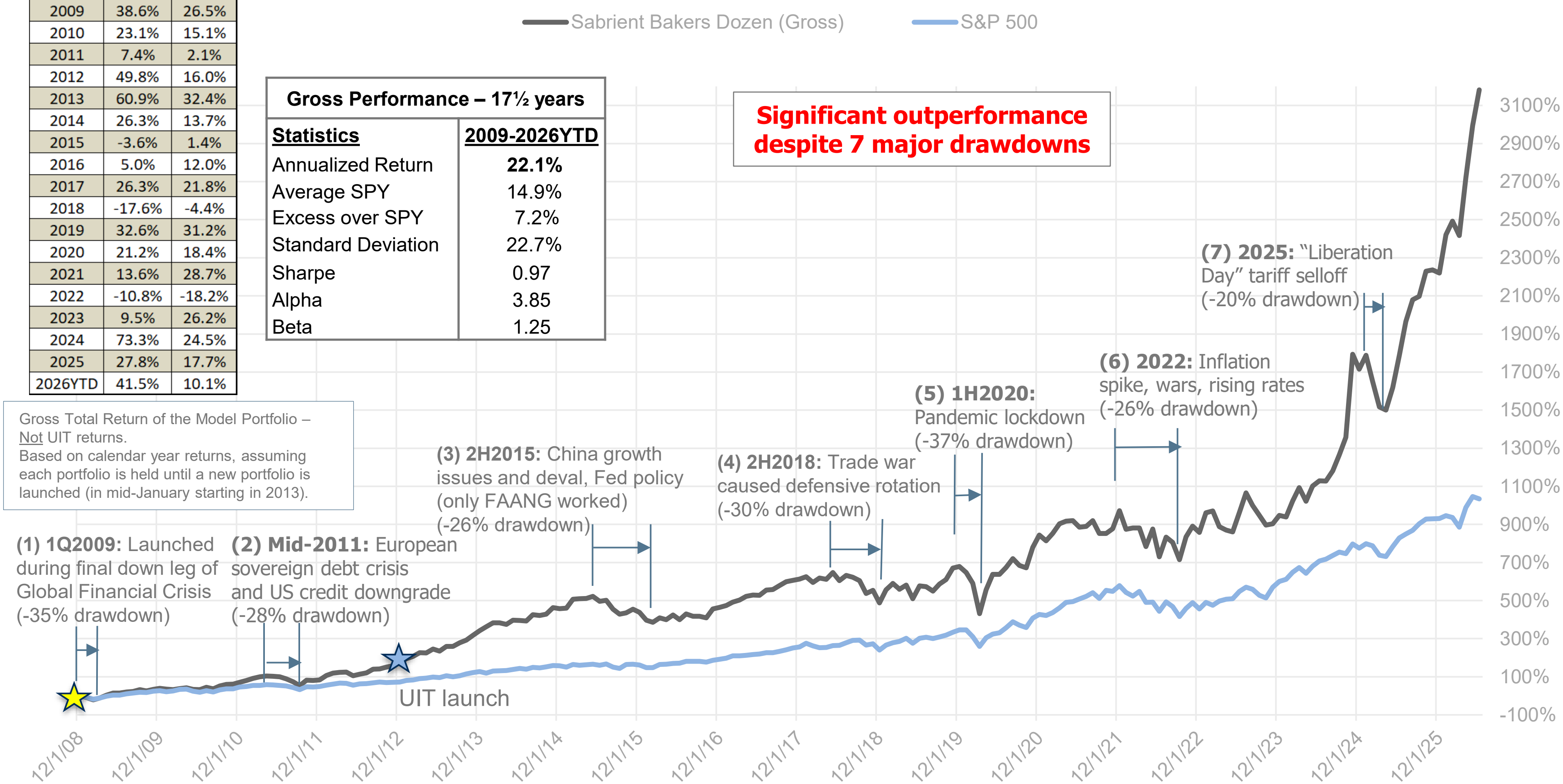
(17½ years: 1/1/2009 inception thru 6/30/2026, end-of-month data points, updated quarterly)

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%
2025	27.8%	17.7%
2026YTD	41.5%	10.1%

Gross Performance – 17½ years

Statistics	**2009-2026YTD**
Annualized Return	**22.1%**
Average SPY	14.9%
Excess over SPY	7.2%
Standard Deviation	22.7%
Sharpe	0.97
Alpha	3.85
Beta	1.25

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 starting in 2013).



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 or indication of future results.

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Latest *Q3 2026 Baker's Dozen* Portfolio – statistics upon launch

Launch date: 7/20/2026

Ticker	Company Name	Sector	Industry	Mkt Cap ($B)	NTM EPS Growth	Fwd PE	Fwd PEG	Div Yield	EQR	GQR
ABBV	AbbVie	Health Care	Biotechnology	449.6	45.5%	17.2	0.38	2.7%	3	8
ALLY	Ally Financial	Financials	Consumer Finance	14.0	30.8%	8.0	0.26	2.6%	5	7
AVGO	Broadcom	Information Technology	Semiconductors	1,764.2	93.8%	23.5	0.25	0.7%	3	8
BOH	Bank of Hawaii	Financials	Regional Banks	3.4	25.2%	13.9	0.55	3.3%	5	7
HPE	Hewlett Packard Enterprise	Information Technology	Technology Hardware & Peripherals	60.7	54.1%	11.9	0.22	1.2%	4	9
LUV	Southwest Airlines	Industrials	Passenger Airlines	23.5	117.7%	14.1	0.12	1.5%	4	6
NBIX	Neurocrine Biosciences	Health Care	Biotechnology	17.2	32.5%	16.9	0.52	0.0%	5	6
RDDT	Reddit	Communication Services	Interactive Media and Services	34.9	40.5%	24.5	0.60	0.0%	3	10
STLD	Steel Dynamics	Materials	Steel	34.0	98.7%	12.7	0.13	0.9%	4	4
STRL	Sterling Infrastructure	Industrials	Construction and Engineering	19.6	56.1%	32.3	0.58	0.0%	3	10
TPC	Tutor Perini	Industrials	Construction and Engineering	4.1	76.8%	14.3	0.19	0.3%	4	7
TSM	Taiwan Semiconductor	Information Technology	Semiconductors	1,832.5	41.6%	20.3	0.49	0.0%	4	9
VLO	Valero Energy	Energy	Oil & Gas Refining and Marketing	91.9	138.9%	9.3	0.07	1.6%	4	8
			Average:	334.6	65.6%	16.8	0.26	1.1%	3.9	7.6

Notes:

- Diverse, mid-cap-biased, with Large/Mid/Small cap mix of 7/4/2
- Growth-biased with 7 Growth and 6 Value stocks
- A balance of *secular* growth, *non-cyclicals,* and *cyclical* stocks across 8 business sectors

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

Forward Looking Value 14 annual portfolio – 2026

Launch date: 8/26/2026

Ticker	Company Name	Sector	Ticker	Company Name	Sector
CARG	CarGurus, Inc.	Communication Services	FIX	Comfort Systems USA, Inc.	Industrials
MTCH	Match Group, Inc.	Communication Services	LMT	Lockheed Martin Corporation	Industrials
QNST	QuinStreet, Inc.	Communication Services	OSK	Oshkosh Corporation	Industrials
BKNG	Booking Holdings Inc.	Consumer Discretionary	UAL	United Airlines Holdings, Inc.	Industrials
BOOT	Boot Barn Holdings, Inc.	Consumer Discretionary	HUBS	HubSpot, Inc.	Information Technology
CROX	Crocs, Inc.	Consumer Discretionary	LFUS	Littelfuse, Inc.	Information Technology
EXPE	Expedia Group, Inc.	Consumer Discretionary	ON	ON Semiconductor Corporation	Information Technology
CART	Maplebear Inc.	Consumer Staples	STX	Seagate Technology Holdings plc	Information Technology
DINO	HF Sinclair Corporation	Energy	TSM	Taiwan Semiconductor Manufacturing	Information Technology
MPC	Marathon Petroleum Corporation	Energy	TXN	Texas Instruments Incorporated	Information Technology
VLO	Valero Energy Corporation	Energy	CLS	Celestica Inc.	Information Technology
ALLY	Ally Financial Inc.	Financials	WK	Workiva Inc.	Information Technology
COF	Capital One Financial Corporation	Financials	ERO	Ero Copper Corp.	Materials
GILD	Gilead Sciences, Inc.	Health Care	STLD	Steel Dynamics, Inc.	Materials
NBIX	Neurocrine Biosciences, Inc.	Health Care	HBM	Hudbay Minerals Inc.	Materials
DAL	Delta Air Lines, Inc.	Industrials			

Notes:

- 31 stocks, diversified across market caps, sectors, and industries
- Market cap allocations: 15/10/6 Large/Mid/Small cap mix
- Geographical allocations: US-biased, with 26 US (84%) and 5 International (16%)
- Sector allocations: cyclicals-biased across 9 business sectors, with 8 InfoTech, 5 Industrials, 4 Consumer Discretionary, 3 Basic Materials, 3 Energy, 3 Communication Services, 2 Financials, 2 Healthcare, 1 Consumer Staples

Performance of live and recently terminated portfolios – as of 9/15/26

Baker's Dozen - Gross return thru: 9/15/2026

Portfolio	Launch	Close	Gross Return (FTP website)	SPY Return	Active Return
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	7/21/25	18.9%	29.0%	-10.1%
Q3 2024 BD	7/19/24	10/20/25	41.7%	24.1%	17.6%
Q4 2024 BD	10/18/24	1/20/26	27.8%	17.7%	10.1%
Q1 2025 BD	1/17/25	4/20/26	46.7%	20.3%	26.4%
Q2 2025 BD	4/17/25	7/20/26	51.0%	43.0%	8.1%
Q3 2025 BD	7/18/25		31.8%	22.0%	9.7%
Q4 2025 BD	10/17/25		22.2%	14.9%	7.2%
Q1 2026 BD	1/20/26		27.0%	12.4%	14.6%
Q2 2026 BD	4/17/26		0.8%	6.9%	-6.2%
Q3 2026 BD	7/20/26		-3.6%	2.1%	-5.7%

Tables show gross total returns (as displayed on ftportfolios.com, without transactional sales charge) versus relevant benchmarks for all live portfolios plus some recently terminated. S&P 500 Value (SPYV) is the benchmark for Forward Looking Value, S&P 500 High Dividend (SPYD) is the benchmark for Dividend portfolios, and S&P 600 Small Cap Growth (SLYG) is the benchmark for Small Cap Growth.

The vast majority (**72%**) of portfolios created since major process enhancements were implemented in December 2019 have either outperformed or stayed even with their benchmarks—and we have continued to enhance our process with Monte Carlo analysis and AI tools. To wit, **36 of the 42 most recent portfolios (86%)** over the past 3 years across all themes have outperformed or stayed even with their benchmarks.

To illustrate the **outperformance potential**, Q1 2024 Baker's Dozen finished **+45.7%** vs. +8.2% for SPY, Q3 2024 Baker's Dozen **+41.7%** vs. +24.1% for SPY, Q1 2025 Baker's Dozen **+46.7%** vs. +20.3% for SPY, and SCG 46 **+75.9%** vs. +48.8% for SLYG. Also, Q1 2026 Baker's Dozen is up **+27.0%** vs. +12.4% for SPY, FLV 13 is up **+35.7%** vs. +18.2% for SPYV, and Dividend 49 just terminated at **+49.2%** vs. +25.9% for SPYD.

Forward Looking Value - Gross return thru 9/15/2026

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	11/10/25	19.9%	12.7%	7.2%
FLV 13	8/15/25		35.7%	18.2%	17.5%

Sabrient Dividend - Gross return thru: 9/15/2026

Portfolio	Launch	Close	Gross Return	SPYD Return	Active
Div 44	6/5/23	6/5/25	35.4%	27.9%	7.4%
Div 45	9/1/23	9/2/25	30.6%	30.7%	-0.1%
Div 46	11/29/23	12/1/25	30.6%	31.4%	-0.8%
Div 47	2/26/24	2/26/26	44.5%	36.9%	7.6%
Div 48	5/23/24	5/22/26	58.3%	30.0%	28.4%
Div 49	8/19/24	8/19/26	49.2%	25.9%	23.3%
Div 50	11/15/24		29.9%	15.1%	14.8%
Div 51	2/11/25		34.2%	17.8%	16.4%
Div 52	5/10/25		44.7%	21.7%	23.0%
Div 53	8/8/25		40.0%	17.7%	22.3%
Div 54	11/6/25		22.7%	18.8%	3.9%
Div 55	2/5/26		11.9%	6.8%	5.1%
Div 56	5/6/26		5.1%	4.3%	0.8%
Div 57	8/4/26		-1.3%	-3.4%	2.1%

Small Cap Growth - Gross return thru: 9/15/2026

Portfolio	Launch	Close	Gross Return	SLYG Return	Active
SCG 40	11/3/23	2/3/25	29.8%	29.2%	0.6%
SCG 41	2/1/24	5/1/25	3.3%	0.3%	3.0%
SCG 42	5/1/24	8/1/25	7.5%	6.7%	0.8%
SCG 43	7/29/24	10/29/25	-3.9%	2.3%	-6.2%
SCG 44	10/25/24	1/26/26	8.9%	11.9%	-3.0%
SCG 45	1/22/25	4/22/26	11.8%	14.5%	-2.7%
SCG 46	4/22/25	7/22/26	75.9%	48.8%	27.0%
SCG 47	7/16/25		40.4%	22.2%	18.2%
SCG 48	10/3/25		29.9%	15.6%	14.3%
SCG 49	12/19/25		15.5%	13.8%	1.8%
SCG 50	3/19/26		29.4%	13.7%	15.7%
SCG 51	6/17/26		6.3%	-2.4%	8.7%

Top performers in recent Baker's Dozen portfolios

Sabrient's models often uncover high-quality, undervalued, under-the-radar names. In fact, many of the top performers in our recent Baker's Dozen portfolios might not have been on your bingo card at the time (terminated portfolios shown in dark blue, live portfolios shown in green (as of 9/15):

Q1 2024: AppLovin (APP) +455%

Q2 2024: NVIDIA (NVDA) +125%

Q3 2024: Carpenter Technology (CRS) +103%

Q4 2024: Seagate Technology (STX) +191%

Q1 2025: Comfort Systems (FIX) +224%

Q2 2025: Sterling Infrastructure (STRL) +363%

Q3 2025: Valero Energy (VLO) +172%

Q4 2025: RingCentral (RNG) +171%

Q1 2026: Valero Energy (VLO) +115%

Q2 2026: Seagate Technology (STX) +41%

Q3 2026: Hewlett Packard Enterprise (HPE) +25%

SectorCast Rankings and Sector Rotation Model

Sabrient SectorCast Sector Rotation Strategy - As of 9/15/2026
Suggested Top 3 Sector ETFs for Bullish, Neutral, or Defensive Outlooks
Bullish/Neutral/Defensive bias based on SPY vs. 50/200 day moving averages; 30-90-day forward look

Sector	ETF	Outlook Score	Bull Score	Bear Score	Net Score: Neutral Bias	Net Score: Bullish Bias	Net Score: Defensive Bias
TECHNOLOGY	IYW	90	67	49	90	90.0	50.0
ENERGY	IYE	75	41	71	75	45.9	90.0
TELECOMMUNICATIONS	IYZ	50	55	52	50	58.6	42.1
INDUSTRIALS	IYJ	41	50	50	41	48.1	34.8
FINANCIALS	IYF	39	51	53	39	48.9	40.2
BASIC MATERIALS	IYM	39	49	51	39	45.9	36.1
CONSUMER DISCRETIONARY	IYC	28	44	47	28	34.7	24.0
HEALTHCARE	IYH	18	42	58	18	28.4	43.1
CONSUMER STAPLES	IYK	16	36	56	16	18.7	38.3
UTILITIES	IDU	11	40	57	11	23.0	38.6

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.

Our SectorCast rankings reflect a **bullish bias** as cyclicals and secular growth sectors dominate the top of the list while defensive sectors Utilities and Staples sit at the bottom. The main cautions are the many Outlook scores below 50. However, earnings growth, margins, and productivity continue to be stellar, with rising forward guidance. So, investors continue to look beyond the ongoing Iran conflict and its impacts on shipping, energy, supply chains, inflation, and interest rates, as jobs reports, consumer spending, corporate capex, and GDP metrics have been encouraging, and they remain optimistic about AI, fiscal policy, deregulation, re-privatization, and re-industrialization. The main obstacles now are rising yields and growing calls to slow the rapid pace of AI development.

Technology remains firmly at the top despite a high valuation as investors are willing to pay up for strong growth and margins, increasingly reflecting AI becoming deeply embedded in business operations in a long-term secular investment cycle rather than just a short-term cyclical trend. The sector still displays the highest forward P/E of 25.2x, which is down quite a bit versus when it was approaching 31x several months ago. It remains atop the rankings due to a strong and rising EPS growth estimate, now at 29.2%, and by far the highest profit margins, return ratios, and insider buying. It also sports the lowest forward PEG ratio of 0.86, which continues to fall as share prices pull back while EPS estimates rise.

Our **Sector Rotation Model Portfolio** still reflects a **bullish** bias (when price is above the 50-day and 200-day moving averages). However, it just closed on 9/15 below the 50-day MA, so the FOMC decision will determine whether the model shifts to neutral. For now, it suggests holding **Technology (IYW), Telecom (IYZ),** and **Financials (IYF)**. A switch to neutral would simply put in Energy (IYE) in place of Financials.

Market Observations & Outlook - 1/2

1. S&P 500 has pulled back from its highs on new AI fears and Iran escalation, despite robust corporate earnings, subdued VIX, and tight credit spreads. But oil has climbed above $100/bbl, making headline inflation sticky, and bond yields have surged. **Uncertainty persists** with wars, trade deals, federal debt, political polarization, midterm elections, poor consumer sentiment, jobs, inflation, Fed policy, and slow global liquidity growth. Segments of the K-shaped economy like lower-income, small businesses, and housing are struggling, and personal savings rate is just 3.0%—all suggestive of **rate cuts** (not hikes!).

2. Notably, **leadership has been expanding** this year, with the Dow, small caps, and equal-weight S&P 500 hitting new highs in August. But in September, all index valuations have fallen. Forward P/E on cap-weight S&P 500 is now 21.0x while equal-weight S&P 500 is 16.6x and Russell 2000 is 14.8x, as of 9/14.

3. The One Big Beautiful Bill Act (OBBBA) has fully kicked in with **pro-growth policies**, including tax and interest rate cuts, deregulation, smaller government, and re-privatization, helping the private sector retake its place as the primary engine of growth, with more efficient capital allocation and ROI than government. Also, **disinflationary secular trends** have resumed, including AI adoption, automation, falling shelter costs, rising productivity, strong dollar, slow M2 growth, and deflationary impulse from a struggling China.

4. Overall, **fundamental tailwinds outweigh headwinds**, and indeed investors are positioning for continued AI adoption and capex, factory reshoring, and re-industrialization, less Fed intervention, and the OBBBA's pro-growth fiscal support. This should continue to attract foreign direct investment (FDI) into the US, cut the debt and deficit-to-GDP ratio, and unleash **organic private sector growth**, with stock valuations driven more by rising earnings and ROI than by AI hope-driven multiple expansion.

Market Observations & Outlook - 2/2

5. The US economy has become more recession-resistant, more technology-efficient, more services-oriented (meaning less energy-intensive and less at risk of inventory buildup that must be dumped cheaply into the market, like China does), and thus less cyclical. So, a **steadier, more predictable economy** means structurally higher corporate margins, earnings, cash flow, and capex consistency, which **supports higher valuation multiples**, low credit spreads, a subdued VIX, and a buy-the-dip investor mentality.

6. At the core of an equity portfolio still should be US Big Tech stocks, given their entrepreneurial culture, disruptive innovation, wide moats, global scalability, huge cash generation, resilient and durable earnings growth, and world-leading margins and ROI. But a **broadening market suggest consideration of other opportunities** in AI infrastructure (including power/energy) as well as small/mid caps, value, quality, cyclicals, equal-weight indexes, and sectors like industrials, financials, materials, and healthcare, plus dividend stocks and bitcoin. Also, investors might consider hard asset plays like oil, agriculture, commodities, industrial metals, uranium, rare earths, land, miners, engineering & construction firms, and equipment & services providers.

7. Thus, 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 detail in our "Sector Detector" market commentaries at Sabrient.com.***

Company Overview

➢ Sabrient Systems LLC:

- Independent equity research provider and registered investment advisor (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
- Leverages **proprietary AI tools** to accelerate model development and enhance fundamental research in portfolio selection
- 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)***.

What We Do: Our Active "Quantamental" Approach

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

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

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

Still mostly numbers-driven but not algorithmic. AI-assisted to thoroughly vet recent news reports, fundamentals, long & short theses, and fundamental risk assessment.

3. **Final Review & Portfolio Selection** (13 names)

Manual process, ensuring diversification and 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.

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Note: This describes the Baker's Dozen selection. We employ a similar approach for all portfolios (adjusted for appropriate universe or investment mandate).

Sabrient Scorecards – powerful investor tool

Sabrient founder David Brown's new book has been updated and relaunched as:

***Moon Rocks to Power Stocks:* Proven Stock-Picking Method Revealed by NASA Scientist Turned Portfolio Manager**

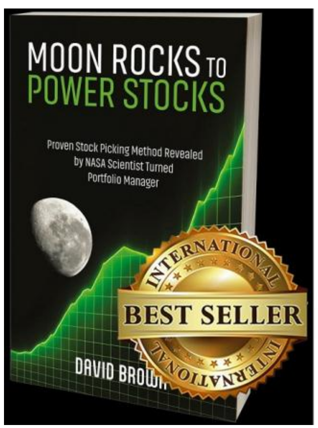
David describes his path from NASA engineer in the Apollo Program to building quant models for stock rankings. David Brown reveals the details behind the model-driven strategies for **four key investing styles—Growth, Value, Dividend, and Small Cap Growth**—which serve as the underlying strategies for Sabrient's *Baker's Dozen, Forward Looking Value, Dividend, and Small Cap Growth* portfolios.

You can immediately download the book and two bonus reports in PDF format. The reports are ***The Future of Energy*** and ***A New Race to the Final Frontier (Space)***, which describe the history and what the future may bring for each theme, as well as Sabrient's top stock picks.

You also are invited to access the next generation of our **Sabrient Scorecard for Stocks**, which provides a **weekly Top 30 list** for each of those four key investing strategies (using their underlying quant models), and it lets you score, sort, weight, and **monitor your own stocks**.

And as a bonus, we provide a weekly **Sabrient Scorecard for ETFs** with a **weekly Top 30 ETFs** based on our SectorCast Outlook Score, plus access to the Full Universe of scores for over 1,600 equity ETFs.

Or to go straight to the Scorecard subscription, go to: **https://www.moonrockstopowerstocks.com/sabrient-scorecard**



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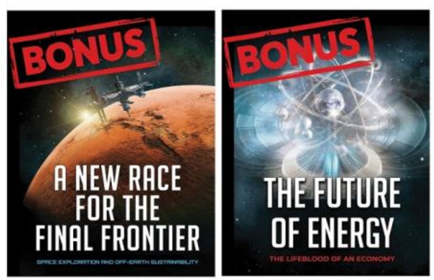

Bonus Reports

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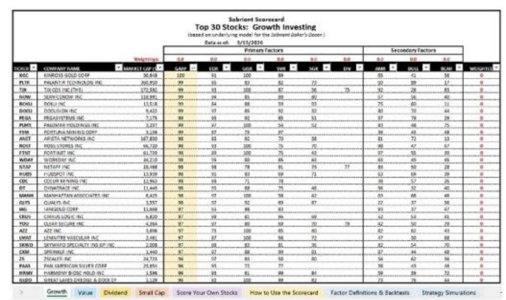

Sabrient Scorecards

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 (in-depth market commentary)**
   - 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 book on his investing strategies + Sabrient Scorecards**
   - *" **Moon Rocks to Power Stocks** — Proven Stock Picking Method revealed by NASA Scientist Turned Portfolio Manager "*
   - Go to: **MoonRockstoPowerStocks.com** to download book, 2 bonus reports, and access **Sabrient Scorecards** for Stocks and ETFs (for idea generation and portfolio monitoring)

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