

A Special Report from Sabrient Systems, LLC

Sabrient “Baker’s Dozen” Top Stocks for 2011

January, 2011

Sabrient

Sabrient Systems, LLC
1435 Anacapa St.
Santa Barbara, CA 93101
<http://www.Sabrient.com>

© Copyright 2011 Sabrient Systems, LLC

Sabrient "Baker's Dozen" Top Stocks for 2011
Copyright © 2011 by Sabrient Systems, LLC

All rights reserved.

Reproduction or translation of any of this work beyond that permitted by Section 107 or 108 of the 1976 United States Copyright Act without the permission of the copyright owner is unlawful. Requests for permission or further information should be addressed to the authors at support@sabrient.com.

Disclaimer: This Special Report is provided for informational purposes only. It should not be construed as a solicitation to buy or an offer to sell securities. The report is based upon data from sources believed to be reliable, but Sabrient makes no representation as to the data's adequacy, accuracy, completeness or timeliness.

Sabrient Systems is not a registered investment advisor and cannot provide individual investment advice. Consult an investment advisor as to how this research might apply to your personal financial situation and investment objectives.

Sabrient “Baker’s Dozen” Top Stocks for 2011

Sabrient Systems LLC

(These stocks were originally selected and published on December 31, 2010.)

As we enter 2011, the stock market basically has been on a torrid 21-month bull run since the March 2009 V-bottom. Bulls have ruled while bears continually have been held at bay.

Some market observers believe that the Federal Reserve’s *quantitative easing* programs -- a.k.a., QE1, QE2, and perhaps QE3 -- have created an artificial bubble in the stock market that can only end badly. (QE1 and 2 employ the Fed’s Permanent Open Market Operations (POMO) to print money and use it to buy Treasuries from the primary dealers who in turn use the cash to buy stocks and commodities.)

Others believe that financial system is now stable and global economic recovery is upon us, and the best place to invest is in the U.S. stock market. The old adage “Don’t fight the Fed” is usually true, and the market strength and investor confidence we have witnessed is hard to deny.

In any case, at Sabrient we don’t worry too much about where the market is headed. Instead, our quantitative models rank stocks relative to one another using fundamentals-based algorithms that focus on themes like value, growth, momentum, or overall quality. In other words, we sniff out great stocks that should outperform under any scenario.

Each year, we compile a diverse group of stocks that display particularly high quality and growth potential relative to their peers . . . and appear to be particularly well-positioned to outperform. We call them the Sabrient “Baker’s Dozen.” These are 13 GARP stocks—stocks with high earnings growth at a reasonable valuation—from companies with solid accounting practices. They represent a cross-section of sectors and industries, with particular focus on the highest ranked sectors from our proprietary SectorCast bottom-up scoring model. These 13 stocks score particularly well in our system, yet they are not necessarily the household names that you already know. They are meant to be held for the entire 12 months of 2011.

	Name	Ticker	Sector: Industry
1	Jabil Circuit	JBL	Technology: Electronics
2	MKS Instruments	MKSI	Technology: Semiconductors & Components
3	GameStop	GME	Consumer Services: Retailing
4	Asbury Automotive Group	ABG	Consumer Durables: Automotive Manufacturing
5	G-III Apparel Group	GIII	Consumer Non-Durables: Clothing
6	Smithfield Foods	SFD	Consumer Non-Durables: Food Processors
7	Healthspring	HS	Healthcare: Managed Care
8	Marathon Oil	MRO	Energy: Oil
9	Trina Solar	TSL	Energy: Alternative Energy
10	Kennametal	KMT	Basic Industries: Precious Metals
11	Eastman Chemical	EMN	Basic Industries: Chemicals
12	Vivo Participacoes, S.A.	VIV	Public Utilities: Telephone Utilities
13	American Equity Investment Life	AEL	Finance: Insurance

The stocks were selected based on a number of quantitative criteria. In the larger table at the end of this document, we show the following scores that were used in the analysis:

SOS – Sabrient Company Outlook Score is a proprietary Sabrient rank that measures current valuation and the forward earnings outlook of a consensus of Wall Street analysts. It can be considered largely a GARP rank (Growth at a Reasonable Price), and also rewards conservative accounting practices.

SVS – Sabrient Value Score measures the relationship between a company's stock price and its intrinsic value, as indicated by earnings and balance sheet attributes, with an emphasis on earnings. Also considered are cash flow measures and fundamental valuation ratios. A high value score indicates that the stock may be undervalued, while a low value score indicates it is overvalued.

SGS – Sabrient Growth Score reflects a company's historical and projected earnings growth, revenue and sales growth, projected cash flow, analyst activity, and changes in earnings estimates, each over various time periods. The higher the score, the better the combined performance of these key measures.

SMS – Sabrient Momentum Score measures a company's earnings AND price momentum, evenly weighted and augmented by group strength, money flow, and relative volume. Core technical factors include current price relative to periodic highs and moving averages. High scores indicate strong momentum.

5-yr Proj Gr is the consensus estimate among Wall Street analysts of the annualized projected earnings growth rate for the next five years. Of course, positive numbers are best. (An “n/a” indicates that there were not enough analysts covering the given stock to provide a reliable estimate.)

1-yr Proj Gr is the consensus estimate among Wall Street analysts of the next year's projected year-over-year earnings growth rate. Again, positive numbers are best.

Lastly, we took a qualitative look at our top candidates to identify those that have reasonably attractive long-term charts, enjoy favorable opinions from other analysts (for corroboration), and contribute a certain flavor to the overall Baker's Dozen portfolio.

Let's discuss each of the stocks by sector.

TECHNOLOGY:

The Technology sector includes industries ranging from Software to Semiconductors to Telecom. No matter what the economy is doing, entrepreneurs will continue to push the technological boundaries. We identified two very different companies that are both ranked near the top of Sabrient's high-performance Company Outlook Score (SOS), and both finished 2010 with a flourish.

Jabil Circuit, Inc. (NYSE: JBL)

Jabil is a provider of worldwide electronic manufacturing services and solutions. The Company provides electronics design, production, product management and aftermarket

services to companies in the aerospace, automotive, computing, consumer, defense, industrial, instrumentation, medical, networking, peripherals, solar, storage and telecommunications industries. Jabil operates in three segments: Diversified Manufacturing Services (DMS), Enterprise & Infrastructure (E&I) and High Velocity Systems (HVS). The Company's services include integrated design and engineering; component selection, sourcing and procurement; automated assembly; design and implementation of product testing; parallel global production; enclosure services; systems assembly, direct order fulfillment and configure to order, and aftermarket services.

JBL is a Strong Buy in the Sabrient Ratings Algorithm. It carries a perfect 100 in its Sabrient Outlook Score and one of the highest 1-year growth ratio on the list (62.6%). It is also showing strong investor interest and technical strength entering the New Year.

MKS Instruments, Inc. (Nasdaq: MKSI)

MKS is a provider of instruments, subsystems and process control solutions that measure, control, power, monitor and analyze critical parameters to improve process performance and productivity of advanced manufacturing processes. The Company also provides services relating to the maintenance and repair of its products, software maintenance, installation services and training. It groups its products into three product groups: Instruments and Control Systems; Power and Reactive Gas Products, and Vacuum Products. Its products are used in diverse markets, applications and processes. The Company's primary served markets are manufacturers of capital equipment for semiconductor devices and for other thin film applications, including flat panel displays, light emitting diodes (LEDs), solar cells, data storage media and other advanced coatings. It also leverages its technology into other markets with advanced manufacturing applications.

MKSI is a Strong Buy in the Sabrient Ratings Algorithm. Its various Sabrient scores (Outlook, Value, Growth, Momentum) are all in the 90's, and it boasts a robust 5-year projected growth rate of 20% -- a solid looking stock all-around.

CONSUMER SERVICES:

Consumer sentiment is improving, and one company in particular stands out to us in this sector.

GameStop Corp. (NYSE: GME)

GameStop is a retailer of video game products and personal computer (PC) entertainment software. The Company sells new and used video game hardware, video game software and accessories, as well as PC entertainment software, and related accessories and other merchandise. As of January 30, 2010, the Company operated 6,450 stores in the United States, Australia, Canada and Europe, primarily under the names GameStop and EB Games. GameStop also operates an electronic commerce website at www.gamestop.com and publishes Game Informer, a multi-platform video game magazine in the United States, with approximately 4 million subscribers. During the fiscal year ended January 30, 2010 (fiscal 2009), GameStop operated its business in four segments: United States, Canada, Australia and Europe.

GME a Strong Buy in the Sabrient Ratings Algorithm. It carries a near-perfect 99 Sabrient Outlook Score and a 98 Sabrient Value Score. It is projected to have a solid 20.7% growth

rate over the next year, and it is well-positioned to be a winner in the competitive but highly popular video gaming industry.

CONSUMER DURABLES:

As the consumer gains confidence, they are more likely to take on those larger purchases of durable products. One company in particular rises to the top in our analysis.

Asbury Automotive Group, Inc. (NYSE: ABG)

Headquartered in Duluth, Georgia, Asbury is one of the largest automotive retailers in the U.S., with 2009 revenues of over \$3.6 billion. The company offers a range of automotive products and services, including new and used vehicles, vehicle maintenance and repair services, replacement parts, new and used vehicle financing, and aftermarket products, such as insurance, warranty and service contracts. The Asbury's retail network consists of nine locally branded dealership groups. The Company now operates approximately 80 retail auto and heavy truck stores, encompassing 107 franchises for the sale and servicing of 38 different brands of American, European and Asian automobiles and heavy trucks. Approximately 85% of sales are from import brands. In January 2010, the Company was awarded two Sprinter franchises, which were added to its Mercedes-Benz locations in St. Louis, Missouri and Tampa, Florida.

ABG sports a Buy rating in the Sabrient Ratings Algorithm. It boasts sound Sabrient scores across the board, and a highly robust 1-yr projected growth rate of 43.4%. It also closed 2010 with strong momentum.

CONSUMER NON-DURABLES:

The return of the consumer often means more non-durable indulgences like clothing, and even greater spending (beyond the bare necessities) in foods. These two stocks score particularly well and showed strong buyer interest at the close of 2010.

G-III Apparel Group, Ltd (Nasdaq: GIII)

GIII designs, manufactures and markets a range of outerwear, sportswear and dresses, including coats, jackets, pants and women's suits. The Company sells its products under licensed brands, its own brands and private retail labels. GIII provides apparel under brands to a section of retailers, such as Macy's, Bloomingdale's, Nordstrom, Lord & Taylor, JC Penney and Kohl's. It also operates 121 retail stores, of which 118 are outlet stores operated under the Wilsons Leather name. The Company operates in three segments: wholesale licensed apparel, wholesale non-licensed apparel and retail operations. The wholesale licensed apparel segment includes sales of apparel brands licensed by the Company from third parties. The wholesale non-licensed apparel segment principally includes sales of apparel under its own brands and private label brands. The retail segment consists of the Wilsons retail outlet stores, operating as AM Retail Group, Inc.

GIII has demonstrating steadily improving scores and a growing following among consumers. Although its scores are not quite as eye-popping as other stocks on the list, we like its market position and fan club among Wall Street analysts.

Smithfield Foods, Inc. (NYSE: SFD)

Smithfield Foods, together with its subsidiaries, produces and markets a range of fresh meat and packaged meat products both domestically and internationally. The Company operates in five segments: Pork, International, Hog Production, Other and Corporate. The Pork segment consists of three wholly owned United States fresh pork and packaged meats subsidiaries. The International segment is comprised of meat processing and distribution operations in Poland, Romania and the United Kingdom, as well as interests in meat processing operations in Western Europe and Mexico. The Hog Production segment consists of the hog production operations located in the United States, Poland and Romania, as well as the interests in hog production operations in Mexico. The Other segment is comprised of the turkey production operations and the interest in Butterball, LLC (Butterball). In January 2010, the Company announced it has completed the sale of substantially all of the assets of RMH Foods, LLC.

SFD boasts a Strong Buy rating in the Sabrient Ratings Algorithm. It carries a strong forward-looking Sabrient Outlook Score of 98 and a sound 1-yr projected growth rate of 25.7%.

HEALTHCARE:

We think Healthcare continues to show strong value and under-appreciation because of ongoing uncertainty around government intervention. Nevertheless, certain stocks seem like sure bets.

Healthspring, Inc. (NYSE: HS)

Healthspring is a managed care organization with a primary focus on Medicare, the federal government-sponsored health insurance program for United States citizens aged 65 and older, qualifying disabled persons and persons suffering from end-stage renal disease. As of December 31, 2009, the Company operated coordinated care Medicare Advantage plans in Alabama, Florida, Illinois, Mississippi, Tennessee, and Texas.

As of January 1, 2010, it also commenced operations of Medicare Advantage plans in three counties in Northern Georgia. As of December 31, 2009, the Company's Medicare Advantage plans had over 189,000 members. The Company also offers prescription drug benefits in accordance with Medicare Part D to its Medicare Advantage plan members, in addition to providing other medical benefits (MA-PD) plans. It also offers prescription drug benefits nationally on a stand-alone basis in accordance with Medicare Part D (PDP).

HS really came on strong in the second half of 2010, so the secret might be out. Nevertheless, it continues to score highly in Sabrient's Outlook, Value and Growth scores, and it carries a Strong Buy rating in the Sabrient Ratings Algorithm.

ENERGY:

The Energy sector is still dominated by oil, which is here to stay as the key energy source for the foreseeable future, and any increase in demand that accompanies an economic recovery will support oil prices. However, we also think that a well-rounded portfolio should give some attention to alternative energy.

Marathon Oil Corporation (NYSE: MRO)

Marathon Oil operates in four segments: exploration and production (E&P), which explores for, produces and markets liquid hydrocarbons and natural gas worldwide; Oil Sands Mining

(OSM), which is engaged in mining, extraction and transportation of bitumen from oil sands deposits in Alberta, Canada, and upgrades the bitumen to produce and market synthetic crude oil and vacuum gas oil; integrated gas (IG), which markets and transports products manufactured from natural gas, such as liquefied natural gas (LNG) and methanol, and refining, marketing and transportation (RM&T), which refines, transports and markets crude oil and petroleum products.

MRO is consistently one of the top-ranked oil & gas firms in our rankings. It boasts a Strong Buy rating in the Sabrient Ratings Algorithm and carries a strong forward-looking Sabrient Outlook Score of 96, a Sabrient Value Score of 98, and a robust 1-yr projected growth rate of 51.3%.

Trina Solar, LTD (NYSE: TSL)

Trina Solar is an integrated solar-power products manufacturer based in China with a global distribution network covering Europe, North America and Asia. It produces standard monocrystalline photovoltaic (PV) modules ranging from 165 watts (W), to 240 W in power output and multicrystalline PV modules ranging from 215 W to 240 W in power output.

Trina sells and markets its products worldwide, including in a number of European countries, such as Germany, Spain and Italy. It sells the products to distributors, wholesalers, power plant developers and operators and PV system integrators, including Bull Solar, Enfinity NV, Gestamp Asetym Solar S.L., Invictus NV and Proysectos Integrales Solares S.L. As of December 31, 2009, Trina had an annual manufacturing capacity of ingots and wafers of approximately 500 MW and cells and modules of approximately 600 MW.

TSL is our choice for the one alternative energy entry in the portfolio. Its Sabrient Outlook, Value and Growth scores are near the top, but its Momentum Score is low, indicating to us that investors aren't so sure about solar energy quite yet. Nevertheless, with its Strong Buy rating and sound growth projections, we are willing to give it a shot in the 2011 portfolio.

BASIC INDUSTRIES:

Many firms in the Basic Industries sector will benefit from rising prices in an economic recovery.

Kennametal, Inc. (NYSE: KMT)

Kennametal is a supplier of tooling, engineered components and advanced materials consumed in production processes. Its metalworking tools are made of cemented tungsten carbides, ceramics, cermets and other hard materials. It also manufactures and markets a range of toolholders, toolholding systems and rotary cutting tools by machining and fabricating steel bars and other metal alloys.

The Company also manufactures products made from tungsten carbide or other hard materials that are used in engineered applications, mining and highway construction and other similar applications, including compacts and metallurgical powders. In addition, it manufactures and markets engineered components with a metal cladding technology and provide its customers with engineered component process technology. The Company operates in two segments: Metalworking Solutions & Services Group (MSSG) and Advanced Materials Solutions Group (AMSG).

KMT is Buy-rated in the Sabrient Ratings Algorithm. It sports sound but not spectacular Sabrient scores. However, its 1-yr and 5-yr projected growth rates are downright eye-popping.

Eastman Chemical Company (NYSE: EMN)

Eastman Chemical Company is a global chemical company, which manufactures and sells a portfolio of chemicals, plastics, and fibers. The Company operates in five business segments: Coatings, Adhesives, Specialty Polymers, and Inks (CASPI) segment, the Fibers segment, the Performance Chemicals and Intermediates (PCI) segment, the Performance Polymers segment, and the Specialty Plastics segment.

Eastman doesn't boast any particular score that leaps out at us, but overall it seems well-positioned to benefit from a resurgent chemicals industry. Late in the year, the Sabrient Ratings Algorithm reduced it from a Strong Buy to a Buy mostly due to its strong price performance to close out the year.

PUBLIC UTILITIES:

Public Utilities is a defensive sector that should have a place in any diversified portfolio. Some of the top-ranked utilities in the Sabrient system are international ADRs, as is the one we picked for our 2011 list.

Vivo Participacoes, S.A. (NYSE: VIV)

Based in Sao Paulo, Brazil, Vivo Participacoes provides cellular telecommunications services in Brazil. These services, provided through subsidiaries, consist of voice and ancillary services and data service, such as wireless application protocol service. The company also offers direct access to the Internet through data cards, as well as provides multimedia message service and mobile execution environment. Further, the company sells GSM and WCDMA devices, such as handsets, smartphones, broadband USB modems, and netbooks through its stores and authorized dealers. As of December 31, 2009, it operated 336 sales outlets in Brazil. The company operates as a subsidiary of Brasilcel, N.V. Vivo Participacoes S.A. was formerly known as Telesp Celular Participacoes S.A.

VIV has emerged as a top-ranked stock with strong growth characteristics. It boasts a Strong Buy rating in the Sabrient Ratings Algorithm and a terrific 1-yr projected growth rate of 64.7%, as well as a solid 5-yr projected average of 27.3%. Also, its chart finished 2010 with quite a flourish.

FINANCIAL:

The Financial sector has recovered convincingly with the solid support of the Federal government. In particular, stocks from the Insurance industry continue to score near the top of our rankings.

American Equity Investment Life Holding Company (NYSE: AEL)

AEL is engaged in the development and sale of fixed index and fixed rate annuity products. The Company is a full service underwriter of fixed annuity and life insurance products through its wholly owned life insurance subsidiaries, American Equity Investment Life Insurance

Company, American Equity Investment Life Insurance Company of New York, and Eagle Life Insurance Company. The Company is licensed to sell its products in 50 states and the District of Columbia.

At the end of 2010, AEL boasted a Strong Buy rating in the Sabrient Ratings Algorithm. Like many insurance stocks, it carries a solid forward-looking Company Outlook Score and steady growth projections. We also like that it is a small-cap, which might give it greater price performance potential in 2011.

Happy New Year...and Happy Investing. We wish you all the best of personal and investment success in 2011 and beyond!

To learn more about Sabrient's methodology, performance, products and services, please visit our web site at: <http://www.Sabrient.com>.

Sabrient's "Baker's Dozen" Top Stocks for 2011

Ticker	Name	Cap	Sector	Industry	12/31/10 Price	SOS	SVS	SGS	SMS	5-yr Proj Gr	1-yr Proj Gr
1	JBL Jabil Circuit, Inc.	Mid	Technology	Electronics	\$20.09	100	74	88	98	12.0%	62.6%
2	MKSI MKS Instruments, Inc.	Mid	Technology	Semiconductors & Components	\$24.50	97	94	92	97	20.0%	25.1%
3	GME GameStop Corp.	Mid	Consumer Services	Retailing	\$22.88	99	98	59	43	9.4%	20.7%
4	ABG Asbury Automotive Group, Inc.	Small	Consumer Durables	Automotive Manufacturing	\$18.48	96	84	91	98	27.1%	43.4%
5	GIII G-III Apparel Group, LTD	Small	Consumer Non-Durables	Clothing	\$35.15	94	62	87	71	17.5%	23.0%
6	SFD Smithfield Foods, Inc.,	Mid	Consumer Non-Durables	Food Processors	\$20.63	98	73	50	86	9.0%	25.7%
7	HS Healthspring, Inc.	Mid	Healthcare	Undesignated Healthcare	\$26.53	99	96	93	57	18.4%	15.9%
8	MRO Marathon Oil Corporation	Large	Energy	Oil	\$37.03	96	98	82	70	16.8%	51.3%
9	TSL Trina Solar, LTD (ADR)	Mid	Energy	Alternative Energy	\$23.42	99	97	97	22	17.2%	22.0%
10	KMT Kennametal, Inc.	Mid	Basic Industries	Precious Metals	\$39.46	88	70	56	95	48.5%	85.1%
11	EMN Eastman Chemical Company	Large	Basic Industries	Chemicals	\$84.08	91	69	59	77	17.7%	10.0%
12	VIV Vivo Participacoes, S.A.	Large	Public Utilities	Telephone Utilities	\$32.59	89	84	98	50	27.3%	64.7%
13	AEL American Equity Investment Life Hd	Small	Finance	Insurance	\$12.55	91	82	69	55	8.0%	10.3%

SOS = Sabrient Company Outlook Score, a forward-looking composite of several fundamental factors, including accounting practices

SVS = Sabrient Value Score, a composite of several value-oriented proprietary multi-factor filters

SGS = Sabrient Growth Score, a composite of several growth-oriented proprietary multi-factor filters

SMS = Sabrient Momentum Score, a composite of several momentum-oriented proprietary multi-factor filters

5-yr Proj Gr = Annualized projected earnings growth for the next 5 years, from analyst consensus

1-yr Proj Gr = Next year's projected year-over-year earnings growth, from analyst consensus