

December 2020 Recap

MarketDesk Research Enhanced U.S. Momentum

The U.S. Enhanced Momentum Portfolio was up 7.3% in December, leading the Russell 1000 Index by 323bps. The portfolio led the benchmark by 66.8% in 2020 and outperformed its benchmark 9 out of the last 12 months.

Portfolio Summary

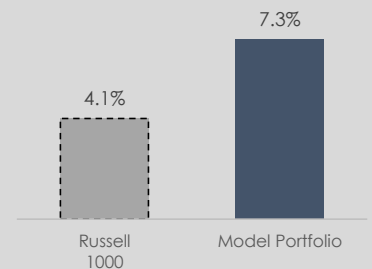
- The portfolio outperformed 13 out of 22 trading days in December.
- 21 of the 30 holdings in the portfolio outperformed the benchmark in December.
- Enphase Energy, Zillow Group, and Zynga were the best performers during the month rising 28.5%, 20.4%, and 19.6%, respectively.
- Trade Desk, Regeneron, and Avalara were the worst performers in December returning -11.1%, -6.4%, and -4.0%, respectively.
- Communication Services (+20.0%) was the best performing sector for the portfolio in December with both holdings (Z and ZNGA) leading the sector.
- Stock selection in Technology weighed down the portfolio's relative performance with 5 of the 14 names trailing the sector during the month.
- The quantitative Momentum model replaced 13 holdings at the start of January.

Portfolio	Holdings	Div Yield	1m Return	6m Return	1Y Return	Inception
Enhanced U.S. Momentum	30	0.2%	7.3%	41.5%	87.5%	189.5%
Russell 1000 Index	1000	1.4%	4.1%	24.4%	20.7%	50.4%
Relative		-1.1%	+3.2%	+17.1%	+66.8%	+139.0%

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December 2020 Performance



Strategy Overview

The *Enhanced U.S. Momentum Portfolio* is a quantitatively managed portfolio that seeks to provide exposure to companies exhibiting momentum characteristics. The model is rooted in statistics and uses fundamental data and consensus estimates in order to maximize objectivity in security selection. The performance information shown herein does not reflect the deduction of advisory and/or other fees normally incurred in the management of a portfolio. **Please see page 6 for important information and disclosures.**

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Portfolio Holdings

The investment objective of the Enhanced U.S. Momentum Portfolio is to provide exposure to companies exhibiting momentum. The portfolio's holdings are selected by using six months of weekly return data to calculate the Momentum Rating for companies within the Russell 1000 Index that pass a quality screen. The 30 companies with the highest momentum ratings are equal weighted, and there is no sector constraint. The quantitative model is updated and rebalanced monthly. The benchmark is the Russell 1000 Index. Pages 3-5 provide additional portfolio statistics, highlight featured holdings, and track a Momentum watchlist.

Portfolio Holding	Sector	Momentum Rating	Beta	NTM P/E	Debt % of EV	Market Cap (\$B)	Dividend Yield	Performance (%)		
								1m	3m	6m
Enphase Energy (ENPH)	Tech	•••••	2.1	102.1x	-	22.2	-	28	112	269
⊕ Tesla (TSLA)	Cons Disc	•••••	1.8	200.6x	-	668.9	-	24	64	227
Trade Desk (TTD)	Tech	•••••	1.8	173.0x	-	33.6	-	-11	54	97
Monolithic Power (MPWR)	Tech	•••••	1.2	70.3x	-	16.5	0.5%	15	31	55
Zillow Group (Z)	Comm Svcs	•••••	2.1	211.4x	-	29.8	-	20	28	125
★ ⊕ West Pharma Services (WST)	Health Care	•••••	0.6	57.6x	-	20.9	0.2%	3	3	25
Avalara (AVLR)	Tech	•••••	1.0	-	-	13.9	-	-4	29	24
Zendesk (ZEN)	Tech	•••••	1.0	211.0x	-	16.7	-	7	39	62
Idexx Laboratories (IDXX)	Health Care	•••••	1.1	76.4x	-	42.6	-	8	27	51
⊕ Marvell Technology (MRVL)	Tech	•••••	1.3	37.9x	6%	31.9	0.5%	3	20	36
⊕ Solaredge (SEDG)	Tech	•••••	1.8	94.2x	-	16.3	-	15	34	130
Scotts Miracle Gro (SMG)	Materials	•••••	1.2	24.0x	-	11.1	1.2%	13	31	53
⊕ Catalent (CTLT)	Health Care	•••••	1.2	39.5x	-	17.1	-	8	21	42
★ ⊕ Amazon (AMZN)	Cons Disc	•••••	0.5	83.4x	-	1,634.2	-	3	3	18
★ ⊕ Chipotle Mexican Grill (CMG)	Cons Disc	•••••	1.2	72.1x	-	38.8	-	8	11	32
★ ⊕ Amedisys (AMED)	Health Care	•••••	0.3	48.0x	-	9.6	-	20	24	48
Ansys (ANSS)	Tech	•••••	0.9	53.2x	-	31.2	-	8	11	25
★ ⊕ NVIDIA (NVDA)	Tech	•••••	1.1	46.7x	2%	323.2	0.1%	-3	-3	38
⊕ HEICO Corporation (HEI.A)	Industrials	•••••	1.4	52.9x	6%	16.7	0.1%	6	32	44
Newmont (NEM)	Materials	•••••	0.7	14.0x	-	48.1	2.7%	2	-5	-2
Mettler Toledo (MTD)	Health Care	•••••	0.8	41.6x	-	27.1	-	-1	18	41
Trimble (TRMB)	Tech	•••••	1.4	30.4x	-	16.7	-	12	37	55
PerkinElmer (PKI)	Health Care	•••••	0.7	15.9x	-	16.1	0.2%	8	14	46
IAA (IAA)	Industrials	•••••	1.6	35.6x	-	8.7	-	8	25	68
★ ⊕ Sprouts Farmers Market (SFM)	Cons Stpls	•••••	0.2	11.0x	-	2.4	-	-5	-4	-21
★ ⊕ Okta (OKTA)	Tech	•••••	0.5	-	7%	30.8	-	4	19	27
★ ⊕ Tractor Supply (TSCO)	Cons Disc	•••••	0.7	22.1x	-	16.4	1.1%	0	-2	7
Workday (WDAY)	Tech	•••••	1.1	90.5x	5%	43.1	-	7	11	28
Align Technology (ALGN)	Health Care	•••••	1.7	66.5x	-	42.1	-	11	63	95
MSCI (MSCI)	Financials	•••••	0.8	55.2x	-	37.0	0.7%	9	25	34

[Download Excel File](#)

Removed Holdings

■ FSLR, SAM, DXCM, MSFT, EPAM, ZNGA, HUBS, SCCO, CLGX, XLRN, XLNX, MXIM, REGN

Momentum Percentile

20th •••••
 40th ••••
 60th •••
 80th ••
 100th •

Portfolio Highlights

⊕ Added
 ■ Removed
 ★ Featured

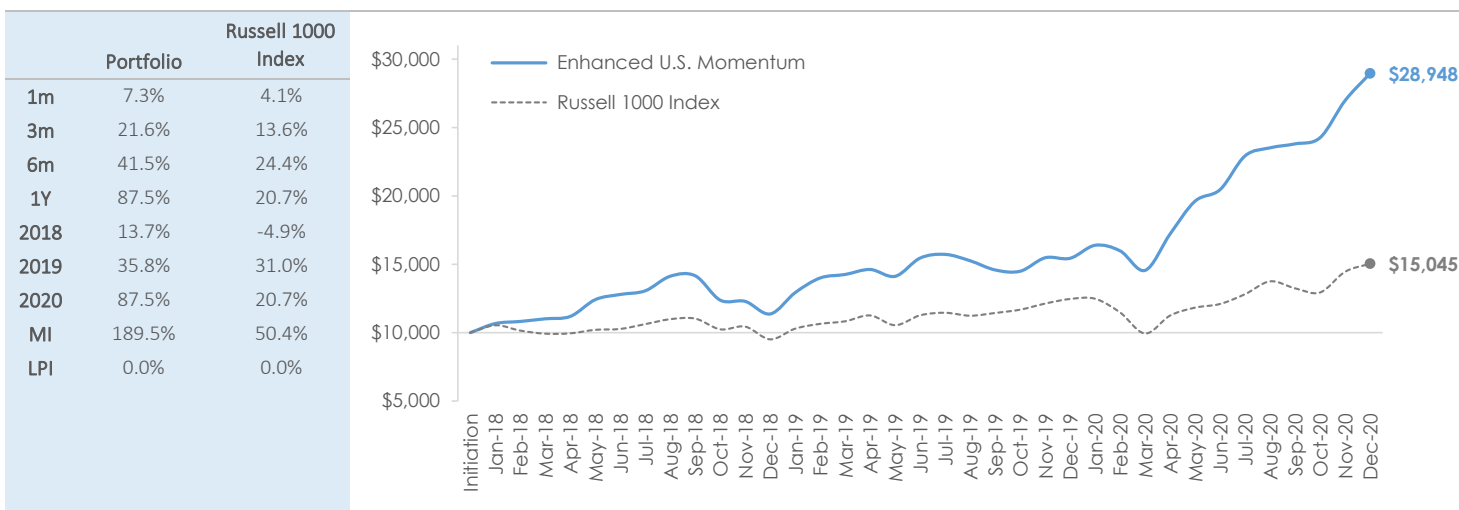
Definitions

MDR Momentum Rating: Each company in the Russell 1000 is ranked based on multiple momentum signals combined into a standalone value. The 20th percentile (•••••) is considered to have the highest exposure to the momentum factor and the 100th (•) the lowest. **Beta:** Calculated as relative to the S&P 500 using 12 months of data. **NTM Price to Earnings (P/E):** Valuation multiple based on consensus earnings per share estimates over the next 12 months. **Debt % of Enterprise Value (EV):** Represents the total long- and short-term debt as a percentile of each company's enterprise value. Data as of the most recent quarter.

Portfolio Statistics

Enhanced U.S. Momentum Cumulative Performance

Model Inception (MI): 12/31/2017 | Live Portfolio Inception (LPI): 12/31/2020

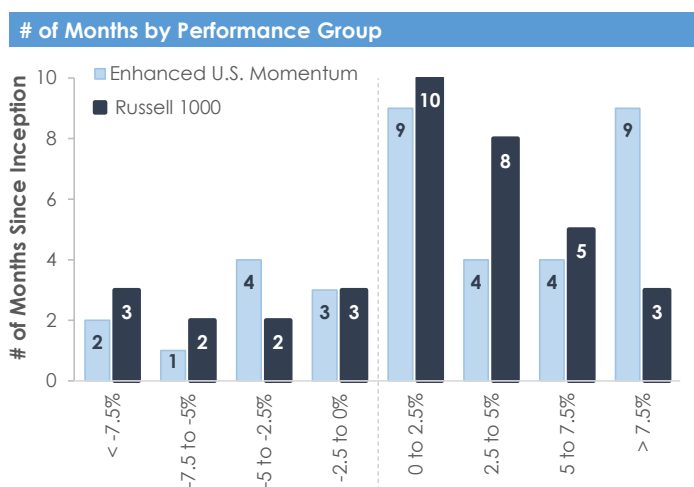


Source: MarketDesk Research. Note: Past performance does not guarantee future results. Performance includes dividends but not taxes/capital gains.

Portfolio Overview

Statistic	Description
Strategy	Quantitative strategy that aims to hold a diversified basket of high quality U.S. large- and mid-cap companies exhibiting the momentum factor over varying time frames
# Holdings	30 companies (Russell 1000 Universe)
Time Frame	3-18 Months
Rebalance	The model is updated and rebalanced monthly
Turnover	30-50% Monthly
Benchmark	Russell 1000 Index
Weighting	Equal Weight
Sectors	No Sector Constraints

Monthly Return Distribution



Top / Bottom Performing Holdings Last Month

Top 10 Holdings	Bottom 10 Holdings
28.5% Enphase Energy (ENPH)	-11.1% Trade Desk (TTD)
20.4% Zillow Group (Z)	-6.4% Regeneron (REGN)
19.6% Zynga (ZNGA)	-4.0% Avalara (AVLR)
15.7% Dexcom (DXCM)	-2.6% Xilinx (XLNX)
14.6% Monolithic Power (MPWR)	-0.9% Mettler Toledo (MTD)
13.3% Scotts Miracle Gro (SMG)	-0.2% Corelogic (CLGX)
11.5% Trimble (TRMB)	0.5% HubSpot (HUBS)
11.2% EPAM Systems (EPAM)	2.5% Newmont (NEM)
11.0% Align Technology (ALGN)	3.9% Microsoft (MSFT)
9.7% Southern Copper (SCCO)	5.9% First Solar (FSLR)

Sector Composition vs Benchmark

Sector	Portfolio	Benchmark	+/-
Technology	40.0%	28.2%	+11.8%
Health Care	23.3%	13.4%	+9.9%
Consumer Discretionary	13.3%	12.3%	+1.1%
Industrials	6.7%	8.9%	-2.2%
Materials	6.7%	2.7%	+3.9%
Communication Services	3.3%	10.3%	-7.0%
Consumer Staples	3.3%	6.0%	-2.7%
Financials	3.3%	10.3%	-7.0%
Real Estate	-	3.0%	-3.0%
Energy	-	2.2%	-2.2%
Utilities	-	2.6%	-2.6%

Featured New Holdings

Sprouts Farmers Market	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
SFM (Sprouts Farmers Mar	\$2.4 B	0.2	Cons Stpls

Sprouts Farmers Markets operates healthy grocery stores. It specializes in fresh, natural, and organic products. Its products include fresh produce, bulk foods, vitamins and supplements, grocery, meat and seafood, deli, bakery, dairy, frozen foods, body care, and natural household items.

Okta	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
OKTA (Okta)	\$30.8 B	0.5	Tech

Okta engages in the provision of identity management platform for the enterprise. It operates through United States and International geographical segments. The firm's products include single sign-on, multi factor authentication, API access management, authentication, user management, and lifecycle management.

West Pharma Services	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
WST (West Pharma Service	\$20.9 B	0.6	Health Care

West Pharmaceutical Services manufactures and markets pharmaceuticals, biologics, vaccines and consumer healthcare products. The Proprietary Products segment offers proprietary packaging, containment and drug delivery products, along with analytical lab services, to biologic, generic and pharmaceutical drug customers. The Contract-Manufactured Products segment serves as a fully integrated business, focused on the design, manufacture and automated assembly of complex devices, primarily for pharmaceutical, diagnostic, and medical device customers.

NVIDIA	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
NVDA (NVIDIA)	\$323.2 B	1.1	Tech

NVIDIA designs and manufactures computer graphics processors, chipsets, and related multimedia software. It operates through the Graphics Processing Unit (GPU) and Tegra Processor segments. The GPU segment comprises of product brands, which aims specialized markets including GeForce for gamers; Quadro for designers; Tesla and DGX for AI data scientists and big data researchers; and GRID for cloud-based visual computing users. The Tegra Processor segment integrates an entire computer onto a single chip, and incorporates GPUs and multi-core CPUs to drive supercomputing for autonomous robots, drones, and cars, as well as for consoles and mobile

Amedisys	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
AMED (Amedisys)	\$9.6 B	0.3	Health Care

Amedisys operates through three business segments: Home Health, Hospice, and Personal Care. The Home Health segment delivers services in the homes of individuals who may be recovering from an illness, injury, or surgery. The Hospice segment provides care that is designed to provide comfort and support for those who are facing a terminal illness. The Personal Care segment gives patients assistance with the essential activities of daily living.

Amazon	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
AMZN (Amazon)	\$1634.2 B	0.5	Cons Disc

Amazon.com offers online retail shopping services and subscriptions. The Amazon Web Services segment involves in the global sales of compute, storage, database, and AWS service offerings for start-ups, enterprises, government agencies, and academic institutions.

Tractor Supply	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
TSCO (Tractor Supply)	\$16.4 B	0.7	Cons Disc

Tractor Supply retails farm and ranch products. The company focuses on supplying the lifestyle needs of recreational farmers and ranchers, as well as tradesmen and small businesses. The firm operates the retail stores under the names: Tractor Supply Company, Del's Feed & Farm Supply, and Petsense. Its product categories includes equine, livestock, pet, and small animal; hardware, truck, towing, and tool; heating, lawn and garden items, power equipment, gifts, and toys; recreational clothing and footwear; and maintenance products for agricultural and rural use.

Chipotle Mexican Grill	<i>Mkt Cap</i>	<i>Beta</i>	<i>Sector</i>
CMG (Chipotle Mexican	\$38.8 B	1.2	Cons Disc

Chipotle Mexican Grill operates fast-casual, fresh Mexican food restaurants throughout the U.S. It offers focused menu of burritos, tacos, burrito bowls, and salads prepared using classic cooking methods.

Momentum Watchlist

This page lists the companies with the next 50 highest momentum percentiles beyond the 30 holdings on page 2. The Momentum Watchlist is provided for two primary reasons: (1) new holdings within the Enhanced U.S. Momentum Portfolio tend to come from this list and (2) it provides additional idea generation. This page is updated each month as the model is refreshed.

Portfolio Holding	Sector	Momentum Rating	Beta	NTM P/E	Debt % of EV	Market Cap (\$B)	Dividend Yield	Performance (%)		
								1m	3m	6m
Clorox (CLX)	Cons Stpls	•••••	0.1	27.4x	-	25.5	2.2%	-1	-3	-7
Netflix (NFLX)	Comm Svcs	•••••	0.5	63.8x	-	238.9	-	10	8	19
Trex (TREX)	Industrials	•••••	1.5	48.9x	-	9.7	-	12	17	29
Estee Lauder (EL)	Cons Stpls	•••••	1.0	48.6x	-	60.3	0.8%	9	22	42
Ball (BLL)	Materials	•••••	1.1	28.9x	-	30.5	0.6%	-3	12	35
Maxim Integrated (MXIM)	Tech	•••••	0.9	31.2x	-	23.7	-	7	31	47
Sealed Air (SEE)	Materials	•••••	1.1	14.7x	-	7.1	1.4%	2	18	40
Synopsys (SNPS)	Tech	•••••	1.0	40.9x	2%	39.7	-	14	21	33
Inphi Corporation (IPHI)	Tech	•••••	1.1	45.1x	-	8.4	-	3	43	37
HubSpot (HUBS)	Tech	•••••	1.4	340.3x	-	18.2	-	1	36	77
Cadence Design (CDNS)	Tech	•••••	0.9	47.0x	-	38.1	-	17	28	42
Texas Instrument (TXN)	Tech	•••••	0.8	28.6x	-	150.7	2.5%	2	16	31
CoStar Group (CSGP)	Industrials	•••••	0.9	86.8x	-	36.4	-	2	9	30
Take Two Interactive (TTWO)	Comm Svcs	•••••	0.6	51.3x	-	23.9	-	15	26	49
Graco (GGG)	Industrials	•••••	0.8	35.7x	-	12.1	1.0%	7	18	51
Universal Display (OLED)	Tech	•••••	1.3	65.5x	-	10.8	0.3%	0	27	54
S&P Global (SPGI)	Financials	•••••	1.0	29.0x	-	79.1	0.8%	-7	-9	0
Exact Sciences (EXAS)	Health Care	•••••	0.8	-	-	21.1	-	9	30	52
Qorvo (QRVO)	Tech	•••••	1.1	17.8x	-	19.0	-	6	29	50
Verisk Analytics (VRSK)	Industrials	•••••	0.8	39.0x	-	33.8	0.5%	5	12	22
FactSet (FDS)	Financials	•••••	1.0	29.6x	7%	12.6	0.9%	0	0	2
Xilinx (XLNX)	Tech	•••••	0.7	46.9x	-	34.8	1.1%	-3	36	45
Hain Celestial Group (HAIN)	Cons Stpls	•••••	0.1	30.7x	-	4.0	-	4	17	27
Skyworks Solutions (SWKS)	Tech	•••••	1.2	20.2x	-	25.4	1.3%	8	5	20
Lincoln Electric (LECO)	Industrials	•••••	1.0	25.1x	-	6.9	1.8%	2	27	39
Agilent Technologies (A)	Health Care	•••••	0.8	32.2x	8%	36.4	0.7%	1	18	34
Microsoft (MSFT)	Tech	•••••	0.8	32.9x	-	1,681.6	1.0%	4	6	10
Home Depot (HD)	Cons Disc	•••••	1.3	21.5x	13%	286.0	2.3%	-4	-4	7
Pegasystems (PEGA)	Tech	•••••	1.3	2301.1x	-	10.8	0.1%	2	10	32
Servicenow (NOW)	Tech	•••••	0.8	107.4x	-	107.4	-	3	13	36
RPM International (RPM)	Materials	•••••	1.3	22.5x	-	11.8	1.7%	3	10	22
Charles River Labs (CRL)	Health Care	•••••	1.2	29.3x	-	12.4	-	7	10	43
Eli Lilly (LLY)	Health Care	•••••	0.6	20.3x	-	161.5	2.0%	16	15	4
Zynga (ZNGA)	Comm Svcs	•••••	0.6	25.2x	-	10.6	-	20	8	3
Facebook (FB)	Comm Svcs	•••••	0.9	26.8x	-	656.7	-	-1	4	20
Paccar (PCAR)	Industrials	•••••	0.9	16.5x	-	29.9	1.5%	0	2	17
Lumentum (LITE)	Tech	•••••	1.1	15.2x	-	7.2	-	10	26	16
Activision Blizzard (ATVI)	Comm Svcs	•••••	0.5	28.4x	-	71.8	0.4%	17	15	22
Paycom Software (PAYC)	Tech	•••••	1.4	115.9x	-	26.5	-	8	45	46
Fastenal (FAST)	Industrials	•••••	0.9	32.5x	-	28.0	2.0%	0	10	16
Broadridge (BR)	Tech	•••••	0.7	28.8x	-	17.7	1.5%	5	16	22
Elastic NV (ESTC)	Tech	•••••	0.9	-	0%	12.8	-	18	35	58
Dexcom (DXCM)	Health Care	•••••	1.1	119.5x	-	35.5	-	16	-10	-9
Quanta Services (PWR)	Industrials	••••	1.2	17.6x	-	10.0	0.3%	5	36	84
HEICO (HEI)	Industrials	••••	1.6	59.8x	5%	16.7	0.1%	7	27	33
Teladoc Health (TDOC)	Health Care	••••	0.0	-	-	29.0	-	1	-9	5
eBay (EBAY)	Cons Disc	••••	1.1	14.3x	-	34.6	1.3%	0	-3	-4
McCormick & Co. (MKC)	Cons Stpls	••••	0.6	33.5x	-	25.5	1.4%	3	-1	8
Tyler Technologies (TYL)	Tech	••••	0.7	76.2x	-	17.6	-	2	25	26
Regal Beloit (RBC)	Industrials	••••	1.2	18.6x	-	5.0	1.0%	3	31	41

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List of Model Portfolios

- Focused U.S. Large Cap
- Focused U.S. Small Cap
- Focused U.S. Dividend
- ESG Active Opportunities
- Enhanced U.S. Momentum

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