

Sabrient Systems, LLC

350 S. Hope Ave., #A-104
Santa Barbara, CA 93105

www.sabrientsystems.com

As of October 28, 2014

Contact Info: Raymond J. Chiarello, Chief Compliance Officer
(915) 584-3794

This Form ADV, Part 2; the “Disclosure Brochure” or “Brochure” provides information about the qualifications and business practices of Sabrient Systems, LLC (“Sabrient”). If you have any questions about the contents of this brochure, please contact us at (915) 584-3794 or ray@sabrientsystems.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority.

Additional information about Sabrient is also available on the SEC’s website at www.adviserinfo.sec.gov. Being registered with the SEC does not imply a certain level of skill or training.

Item 2 – Material Changes

None.

Table of Contents

Item 1 – Cover Page.....	
Item 2 – Material Changes	i
Item 3 – Table of Contents.....	ii
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management	3
Item 7 – Types of Clients.....	3
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	4
Item 9 – Disciplinary Information	6
Item 10 – Other Financial Industry Activities and Affiliations	6
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	6
Item 12 – Brokerage Practices	7
Item 13 – Review of Accounts	7
Item 14 – Client Referrals and Other Compensation	7
Item 15 – Custody.....	7
Item 16 – Investment Discretion.....	7
Item 17 – Voting Client Securities.....	8
Item 18 – Financial Information	8
Item 19 – Requirements for State Registered Adviser.....	8

Item 4 – Advisory Business

Sabrient Systems, LLC (“Sabrient”), formed in April of 2014, is a California limited liability company based in Santa Barbara, California. Sabrient provides:

- (i) guidance through a web-based application that employs Sabrient’s proprietary computer software-based models to generate recommendations for users based on personal information each user supplies through Sabrient’s website (“Internet Services”);
- (ii) consultancy services to sponsors of unit investment trusts (“UITs”) and exchange-traded funds (“ETFs”);
- (iii) primarily through its wholly-owned subsidiary, Sabrient Holdings, LLC, a California limited liability company d/b/a Gradient Analytics (“Gradient”), other impersonal research and subscription services directed primarily to institutional clients (including managers of hedge funds, mutual funds, and exchange-traded funds) and other financial industry professionals.

Sabrient does not provide continuous and regular supervisory or management services to any securities portfolios, nor does it otherwise manage client assets on either a discretionary or non-discretionary basis. Except as specifically described above with respect to the Internet Services, Sabrient does not provide individually-tailored advice and does not take into account the specific investment needs of any individual investor in any of the UITs or ETFs.

First Trust

Sabrient acts as a consultant to First Trust Portfolios L.P. (“First Trust”) in connection with the following series of unit investment trusts (“UITs”) and exchange-traded funds (“ETFs”) offered by First Trust:

- The Baker's Dozen UITs, each of which comprises a selection of 13 stocks to be held for a full year and then liquidated at the end of that period.
- The Sabrient Dividend Portfolio Series, which seeks companies with above-average dividend yields by applying a seven-step strategy development process.
- The Sabrient Forward Looking Value Series, which targets top-performing stocks within various sectors or industries.
- The Sabrient Weak Treasury Series which employs comprehensive investment strategy designed to identify companies positioned to perform well in an environment of rising Treasury yields.
- The Sabrient Small Cap Growth Series, which selects 50 small-cap stocks representing a cross-section of industries.
- The Sabrient Defensive Equity, which employs a comprehensive investment strategy to identify companies positioned to perform well in an environment of falling stock prices.

- The First Trust Long/Short Equity ETF, which uses the Sabrient/Gradient Earnings Quality Rank (EQR) to establish long and short positions in a portfolio of equity securities.

The UITs are designed to be held for a fixed term, typically 12 to 24 months; ETFs are open-ended.

TS Capital

Sabrient acts as a consultant to TSC Capital LLC (“TS Capital”) in connection with the following series of UITs offered by TS Capital:

- The TSC Sabrient Earnings Advantage Portfolio Series, which employs a Sabrient investment strategy to identify stocks with strong earnings potential.

The UITs are designed to be held for a fixed term, typically 12 to 24 months.

Internet Services

MyStockFinder is Sabrient’s internet-based stock-screening application that uses a personal questionnaire to generate a list of 10 to 50 stocks personalized to a given user’s preferences. The application allows the user to:

- Define certain parameters of the universe to be searched, such as market cap, sectors, and minimum/maximum values for price, volume, P/E ratio, and price-to-book ratio.
- Limit the search to only stocks rated Strong Buy; Buy and Strong Buy; or Buy, Strong Buy, and Hold.
- Specify the relative importance of five investing styles—Value, Growth, Momentum, Income, or Technical—to a single search.
- Specify the relative importance of six stock attributes, including earnings quality, balance sheet strength, strength of fundamentals, group strength, and short-term and long-term technical strength.
- Specify relative importance of insider buying and recent EPS revisions by analysts.

Additional Research and Subscription Services

Sabrient and Gradient provide a wide range of impersonal research and subscription services directed primarily to institutional clients (including managers of hedge funds, mutual funds, and exchange traded funds) and other financial industry professionals. The services include index creation, stock and ETF ranking and reports, and additional research and analysis disseminated through various blogs and newsletters.

Item 5 – Fees and Compensation

Sabrient is compensated for its consulting services to First Trust and TS Capital based on a fixed percentage of assets invested in a given UIT.

Sabrient and Gradient periodically enter into agreements with financial industry professionals and institutional investors to license or otherwise provide access to research and analysis developed and delivered on an impersonal basis, and share in advertising revenue with various outlets that display such research and analysis.

Item 6 – Performance-Based Fees and Side-by-Side Management

Sabrient does not receive any compensation that is based on or determined in accordance with the performance of any UIT or of any other securities that may be the subject of research or analysis provided by Sabrient or Gradient.

Item 7 – Types of Clients

As described under Item 4 above, Sabrient's serve three categories of clients:

- Individual investors, through the personalized stock screening provided by MyStockFinder;
- Sponsors of UITs and ETFs, as described above regarding the arrangements with First Trust and TS Capital; and
- A wide range of institutional clients and investment professionals who receive Sabrient's impersonalized research and subscription services.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

As described under Item 4 above, Sabrient consults with First Trust and TS Capital to select securities for different UITs directed to serve different categories of investor needs. The basis of such selection for a given UIT is set forth in more detail in the prospectus for each such UIT made available by First Trust or TS Capital.

Sabrient uses fundamentals-based, quantitative models to develop the rankings and reports on which the UITs are based, and to design the recommendations generated as a part of the Internet Services.

Sabrient uses multi-factor screens to create full-spectrum strategies and thematic models, and relies on statistical methodologies to test the multi-factor screens. Sabrient's strategies and rankings are based on relevance scoring, rather than filtering or sequential elimination, which allows for identification of the top-ranked or bottom-ranked stocks for any strategy. All Sabrient strategies have a forward-looking emphasis, rather than simply screening historical trends. The Sabrient Outlook Rank plays a primary role in Sabrient's strategies. The Outlook Rank is based

on current and forward valuation, historical and projected growth metrics, the dynamics of Wall Street analysts' consensus estimates and revisions, and the Sabrient/Gradient Earnings Quality Rank (EQR).

Additionally, the qualitative methodology of Sabrient subsidiary, Gradient Analytics, has expanded Sabrient's capabilities into the areas of financial analysis, forensic accounting, and executive behavior.

Risk of Loss

All investments in securities include a risk of loss of principal and any profits that have not been realized as the result of fluctuating markets. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. Sabrient does not represent, warrant, or imply that the services or method of analysis used can or will predict future results, successfully identify market trends or insulate clients from major losses due to market corrections or crashes. No promises or assumptions can be made that the services offered by Sabrient will provide a better return than other investment strategies. Sabrient and Gradient make no representation that the companies which issue securities which are the subject of their research reports are subject to, or in compliance with, certain informational reporting requirements imposed by the Securities Exchange Act of 1934. Sales of securities covered in the research reports may be made in only those jurisdictions where such securities are qualified for sale. Individuals should seek professional guidance in assessing their own objectives and risk tolerance.

UITs represent a unique risk in that once securities to be included in a particular UIT have been selected, the UIT will hold those securities for the duration of its predefined term. The UIT's portfolio is not actively managed and does not sell, purchase or otherwise reallocate assets among securities in response to ordinary market fluctuations. This risk may be even more significant if a given UIT's portfolio is concentrated within a specific sector of the market.

Item 9 – Disciplinary Information

Sabrient does not have any legal or disciplinary events to report.

Item 10 – Other Financial Industry Activities and Affiliations

Neither Sabrient nor any member of the management of Sabrient is registered, or has an application pending to register, as a broker-dealer, commodity pool operator, futures commission merchant, commodity trading advisor, and with the exception of the consulting arrangement with First Trust described under Items 4 and 5 above, there are no relationships material to the business of Sabrient with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or hedge fund, and offshore fund)

- other investment adviser or financial planner
- futures commission merchant, commodity pool operator, or commodity trading advisor
- banking or thrift institution
- accountant or accounting firm
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships

Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Sabrient has adopted a code of ethics (“Code”) for all of its employees describing Sabrient’s standard of business conduct, and duty to its clients. The Code includes provisions relating to the prohibition of insider trading and personal securities trading procedures, among other things. All employees must acknowledge the terms of the Code, as amended, annually. A copy of the Code is available to any client upon request

Item 12 – Brokerage Practices

Sabrient does not directly effect any securities transactions through brokers or otherwise.

Item 13 – Review of Accounts

This item is not applicable to Sabrient.

Item 14 – Client Referrals and Other Compensation

This item is not applicable to Sabrient.

Item 15 – Custody

This item is not applicable to Sabrient.

Item 16 – Investment Discretion

This item is not applicable to Sabrient.

Item 17 – Voting Client Securities

This item is not applicable to Sabrient.

Item 18 – Financial Information

Sabrient does not have any discretionary authority over client assets.

Item 19 – Requirements for State-Registered Adviser

This item is not applicable to Sabrient.