SEVENS REPORT alpha

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In Today's Issue

- Did you know it's possible to invest alongside star hedge fund managers—and other superstar investors—without the high fees and high minimums?
- I asked several financial professionals about this method and the overwhelming majority had no idea it exists.
- A list of 10 backdoor vehicles to use.

Hedge Funds: Good or Bad Investments?

The hedge fund industry has received its fair share of negative press in recent years.

"*The party is over for hedge funds*"—CNN Money

"*Hedge Funds' Lost Alpha*"—Bloomberg

"*High Returns Prove Elusive for Hedge Funds*"—Harvard Business Review

And there's plenty more with the same bent.

When you look at recent returns, it's evident why the hedge fund industry has gotten such a bad name.

Index	YTD Return	1-Year Return	3-Year Return	5-Year Return
Mstar Broad Hedge Fund Index	5.35%	6.88%	3.37%	5.10%
S&P 500 Index	20.49%	22.87%	10.91%	15.74%

Source: Morningstar (annualized returns through 11/30/17)

[The Morningstar Broad Hedge Fund Index is an asset-weighted index designed to capture the performance of the most investable—and highly liquid—hedge funds. It uses Morningstar's hedge fund database of approximately 5,000 single-strategy hedge funds.]

Now to be fair, a rip-roaring bull market has helped passive investors and hurt most active investors on a relative basis. But, that doesn't mean all hedge funds are bottom feeders.

Here's a table we got from Raul Moreno, the CEO and Co-founder of iBillionaire.

Billionaire Investor	3-Year Annualized Return (11/15/17)
Robert Citrone	81.53%
Stanley Druckenmiller	63.79%
Israel Englander	45.92%
John Overdeck	37.43%
David Tepper	33.94%
Ray Dalio	33.32%
David Einhorn	28.16%
Daniel Loeb	21.90%
Steve Mandel	21.67%
Carl Icahn	21.40%
James Simons	21.29%
James Dinan	19.05%
Ken Griffin	11.97%
George Soros	10.89%
Larry Robbins	7.41%
Daniel Och	7.40%
Julian Robertson	7.11%
Nelson Peltz	4.37%
John Paulson	3.68%
Warren Buffett	1.31%
Leon Cooperman	1.17%
Seth Klarman	0.28%
Wilbur Ross	0.00%
Chase Coleman	-1.27%
Bill Ackman	-2.82%
Steve Cohen	-7.07%
Marc Lasry	-18.99%

Source: iBillionaire

[iBillionaire is famous in the industry for its detailed quantitative work on billionaire hedge fund managers. Data is based on managers with over $1 billion in AUM, over $1 billion in net worth, and at least three years of 13F filings. The returns are based on equity positions, assuming the manager kept the positions through the 13F quarter. Returns do not include bonds, shorts or options. Therefore, it denotes true stock picking ability during the relevant time period.]

As seen in the table, there is a huge return discrepancy. Some hedge fund managers have crushed the market over the last three years while others have been crushed by it.

But, it's only a three-year period. So, you can't toss out the underperformers for good. Managers, sectors, asset classes, investing styles and specific stock picks go in and out favor through market cycles.

In addition, many hedge fund managers use a combination of tools inside their strategies: Long stocks, short stocks, bonds, private equity, alternatives, etc.

Therefore, if you're a long-term investor, you want to invest with the managers who do the best through full market cycles (both bull and bear markets). Contrary to popular belief, hedge funds prove their mettle during down markets. So, it's about finding skilled managers and sticking with them for the long term.

Names such as Druckenmiller, Tepper, Dalio, Einhorn, Loeb, Mandel, Icahn, Griffin, Soros, Robbins, Peltz, Buffett, Klarman, Ackman, and so on, who have generated superior long-term results for their investors.

But, there's a huge problem if you want to do this...

Most of the hedge funds these gurus run are off limits for individual investors (including financial advisors). Either the flagship funds are closed, or the investment minimums are through the roof (often in the millions). And then there's the fee hurdle. Most hedge funds charge "2 and 20"—a 2% flat fee and an additional 20% of any profits earned.

However, there's a way to access several top-tier hedge fund managers—and some of the world's best investors—through backdoor vehicles that trade on the public markets.

And after talking to a few advisors and analysts who had no idea about these investments, I realized this idea is largely a secret.

The best example of what I'm talking about is no secret, however, and it's a prime illustration of how well this approach can work.

Finding the Next Buffett and Berkshire Hathaway

Warren Buffett's Berkshire Hathaway may be the greatest wealth accumulation vehicle in finance.

When people think about Buffett's fortune, they relate it to some of his best investments—See's Candies, Coca-Cola, Wells Fargo, and others.

But which industry deserves the most credit for his success?

Insurance.

The money generated through Buffett's insurance operation provided the cash that Buffett invested (and turned into billions).

Everyone uses insurance. People pay premiums to insure their homes, cars, boats, and lives. These premiums create a massive, reliable stream of cash flow to insurance companies.

Now, insurance companies may eventually have to pay out a claim. But, the ones with the best underwriting teams (that can take on the least amount of risk when insuring a person or asset) pay out less money in claims than they take in with premiums.

From all the collected premium payments, an insurance company holds a small fraction in cash—called the "reserves." The rest of the money is "the float," which gets its name because there's no way to predict when a policyholder might make a claim.

While insurance companies wait for claims to come due, they invest the float in liquid investments, such as stocks, bonds and other securities that are easy to sell when necessary.

In Berkshire Hathaway's case, it's the marriage of two powerful forces; an insurance company with underwriting prowess and a brilliant investment manager. The insurance company provides a pipeline of cash and the genius money manager compounds the cash flows at high rates over time.

Under Buffett's watch, Berkshire Hathaway has generated an average annual gain of 20.8% from 1965-2016. In contrast, the S&P 500 averaged a 9.7% gain per year over the same time period.

Berkshire Hathaway has turned thousands of ordinary people into millionaires. For instance, about three decades after he took control of Berkshire Hathaway, there were more than 30 Omaha families with over $100 million in company stock.

Warren Buffett isn't going to be around forever. He's 87-years-old.

And how much bigger can Berkshire Hathaway get? It has a monstrous market cap of $490 billion (only a small handful of companies are bigger).

So, the classic question is: Who's the next Buffett?

For my money, it's obviously going to be someone who's younger. But in true Buffett fashion, I want to find a incredibly smart—and proven—money manager who has a similar vehicle (much smaller in market cap with plenty of room for growth) that's available to the masses (even if most investors will never know it exists).

Through our comprehensive research, we've dug up 10 different superstar investors with publicly traded vehicles that provide access to their abilities. These managers have all produced returns on par with Buffett's Berkshire Hathaway.

Let's start with some insurance and reinsurance companies. And then, I'll mix in some conglomerates and holding companies after that.

"Backdoor" Hedge Fund Investing

To reiterate, the reason to invest alongside these accomplished managers is because it's very hard to match their long-term performance results. They are the best investors in the world. They have the smartest analysts working for them. They can influence the price of one of their stocks just by announcing a position stake—or speaking about the company—on TV. And, in some cases, they are activist investors, who put public pressure on management to get what they want for their shareholders.

Insurance and Reinsurance Companies:

The following insurance companies run their businesses in similar fashion to Berkshire Hathaway, in that, they have experienced underwriting teams and proven stock pickers that invest the float.

These insurers are atypical, because they invest a higher percentage of the float in stocks instead of bonds (investment decisions that are driven by these star hedge fund managers!).

Point being, this is an obscure—and effective—way to gain access to some of the top hedge fund managers'—and finest investors'— stock picks without investing in their hedge funds directly.

Note: You'll see a row for the combined ratio in the stat boxes below. The "combined ratio" is the industry standard for gauging an insurance company's profitability. A combined ratio of 100% means you broke even writing insurance. A ratio of less than 100% means you made a profit. And a ratio over 100% means you lost money. Most of these companies typically operate below 100%, but hurricanes and earthquakes have affected underwriting losses this year.

Greenlight Capital Re (GLRE)

Activist investor David Einhorn is the founder of Greenlight Capital, a long/short, value-oriented hedge fund with an admirable track record.

His hedge fund has generated an approximate 17% annualized return over the last 20 years.

Einhorn launched a reinsurance company in 2004. Public market investors can buy shares of Greenlight Capital Re (GLRE), Einhorn's Cayman Islands-based reinsurance company.

GLRE Facts	
Star Investor (Age):	Einhorn (49)
Mkt Cap:	$735M
Avg Daily Vol:	106K
P/B Ratio:	0.9
Div Yield:	N/A
Combined Ratio:	107.0%
YTD Return:	-9.7%
Beta:	0.78

Third Point Reinsurance (TPRE)

Activist investor Dan Loeb takes the term "activist" to the extreme. He was once known as "Mr. Pink" for anonymously attacking CEOs of publicly traded companies on message boards. Loeb was also famous for his "poison-pen letters." He attached these to public SEC filings and accused company executives of not doing their jobs.

TPRE Facts	
Star Investor (Age):	Loeb (56)
Mkt Cap:	$1.6B
Avg Daily Vol:	1.2M
P/B Ratio:	1.0
Div Yield:	N/A
Combined Ratio:	111.9%
YTD Return:	31.6%
Beta:	1.30

He's toned it down from his earlier days. Yet, as one of his investors (who had more than $500 million invested with him) said, *"Loeb is one of the best investors of his generation… He is the guy who would chew through wallboard to create a return for his investors."*

Loeb has averaged an 18.9% per year return for his Third Point Partners LP hedge fund investors since 1995. Loeb opened his reinsurance company, Third Point Reinsurance (TPRE), in January 2012.

Fairfax Financial Holdings (FFH.TO or FRFHF)

Prem Watsa is known as the "Canadian Warren Buffett." He's the CEO of Toronto-based Fairfax Financial Holdings (FFH.TO/FRFHF) and one of the world's leading contrarian value investors.

FFH.TO Facts	
Star Investor (Age):	Watsa (67)
Mkt Cap:	$15.1B
Avg Daily Vol:	41K
P/B Ratio:	1.3
Div Yield:	2.1%
Combined Ratio:	109.0%
YTD Return:	4.9%
Beta:	0.13

Watsa has made numerous telepathic calls over the decades:

- 1987: Reduced his equity allocation by 50% before the crash.
- 1990: Bet against the Nikkei before Japanese stocks crashed by 40%.
- 2000: Bet against the S&P 500 before it cratered.
- 2008: Called the housing bubble and bet against it.
- 2011: Correctly predicted a crash in commodities.

An investment in Fairfax Financial Holdings has returned compound annual growth of 18.6%, in CAD, from 1985-2016.

Watsa has been worried about a market pullback—employing equity hedges for protection—the last couple years. More recently, he has reduced those hedges due to Trump's victory and the potential for increased economic growth and business development.

Markel (MKL)

Specialty insurer Markel (MKL) has been dubbed "Baby Berkshire" by some analysts. Tom Gayner, Co-CEO, has been instrumental in running the investment portfolio since he joined Markel in 1990.

Markel is different than most insurers for a couple reasons. It operates in niche insurance markets (classic cars, horses, medical devices, etc.). Gayner allocates a large percentage of the float to high-quality, value stocks. And management has a reputation for putting shareholders, customers and employees first in every aspect of their business.

MKL Facts	
Star Investor (Age):	Gayner (55)
Mkt Cap:	$15.5B
Avg Daily Vol:	29K
P/B Ratio:	1.8
Div Yield:	N/A
Combined Ratio:	138.0%
YTD Return:	24.6%
Beta:	1.04

Markel has easily outperformed Berkshire Hathaway since Gayner came aboard. Since 1990, MKL is up a cumulative 1,150% and BRK.B is up a cumulative 753%. Markel has handedly outpaced the stock market, too. Over the last 15 years, MKL has outperformed the S&P 500 by an average of 2.3% per year.

Conglomerates and Holding Companies:

Icahn Enterprises (IEP)

Icahn Enterprises (IEP) is the public vehicle (an MLP) controlled by, and 90% owned by, activist investor Carl Icahn. IEP owns his direct investments, casinos and other interests in railcars, steel, mining and real estate.

IEP Facts	
Star Investor (Age):	Icahn (81)
Mkt Cap:	$9B
Avg Daily Vol:	86K
P/B Ratio:	1.7
Div Yield:	11.3%
YTD Return:	-1.2%
Beta:	1.77

Roughly half of the company's assets are invested in Icahn's hedge funds, including offshore funds that don't have to pay capital gains taxes in the US.

This MLP has had a rough go of it as of late (in large part due to energy and auto plays). It has recorded negative returns in three of the last four calendar years. IEP is a volatile play, but with Icahn's expertise, moonshot years are always a possibility—up 52% (2007), up 55% (2009), and up 155% (2013). Longer term, IEP has outrun the S&P 500 by an average of 6.5% per year over the last 15 years.

Pershing Square Holdings (PSH.AS or PSHZF)

PSH.AS Facts	
Star Investor (Age):	Ackman (51)
Mkt Cap:	$3.4B
Avg Daily Vol:	230K
P/B Ratio:	N/A
Div Yield:	N/A
YTD Return:	-24.4%
Beta:	0.59

Bill Ackman is a contrarian and an activist investor. He is the founder and CEO of Pershing Square Capital Management. Ackman took the Amsterdam-listed closed-end fund Pershing Square Holdings (PSH.AS/PSHZF) public in 2014.

Ackman is probably most famous for his failed bets on shorting Herbalife and going long Valeant Pharmaceuticals. His returns have been abysmal in recent years. But, he's made his fair share of winning trades, too. Basically, his core hedge fund Pershing Square crushed the markets from 2004-2014.

A few of his largest positions, according to the most recent 13F, are Restaurant Brands International, Automatic Data Processing, and Chipotle Mexican Grill (accounting for over two-thirds of his portfolio).

Oaktree Capital Group (OAK)

Howard Marks is the founder of Oaktree Capital Group (OAK), which has $100 billion in AUM. Marks is one of the world's most respected investors due to his well-written market memos and the 18.9% annualized returns he's recorded over almost three decades.

OAK Facts	
Star Investor (Age):	Marks (71)
Mkt Cap:	$6.5B
Avg Daily Vol:	206K
P/B Ratio:	3.1
Div Yield:	7.7%
YTD Return:	11.6%
Beta:	0.57

Oaktree Capital Group is different animal. Marks and his firm specialize in distressed debt.

One of his smartest investments was spending $20 million in 2009 to help fund Jeffrey Gundlach's upstart investment firm DoubleLine Capital. Today, that stake is reportedly worth over $1 billion—close to 5,000% appreciation on his original investment!

Loews (L)

Loews is a family-run business started by the Tisch family. Larry Tisch, who co-founded the company with his brother Bob in 1946, is known as one of the greatest value investors and dealmakers of all-time.

L Facts	
Star Investor (Age):	Tisch (64)
Mkt Cap:	$16.6B
Avg Daily Vol:	965K
P/B Ratio:	0.9
Div Yield:	0.5%
YTD Return:	6.0%
Beta:	0.75

Larry and Bob passed away over a decade ago. Three of their sons runs the company today. Jim Tisch (one of Larry's sons) has served as CEO since 1999. The heir apparent has followed in his father footsteps and implemented a methodical, value-based investment strategy.

This conglomerate has majority-stake holdings in CNA Financial, Diamond Offshore Drilling, Boardwalk Pipeline Partners, Consolidated Container Company, and Loews Hotels.

Biglari Holdings (BH)

Sardar Biglari might be the biggest secret of this entire group. The 40-year-old wunderkind is the founder, chairman and CEO of holding company Biglari Holdings (BH).

Biglari is sharp on the operational side and the investment side. He has a knack for finding value in restaurant businesses.

Biglari has engineered activist campaigns—and controlled or taken big stakes in—Steak 'n Shake, First Guard Insurance, Maxim, Western Sizzlin, and Cracker Barrel, to name a few.

Since Biglari was named CEO of Biglari Holdings in August 2008, BH is up a cumulative 220% while the S&P 500 is up cumulative 157%. The majority of investments are funneled through The Lion Fund, Biglari's flagship hedge fund.

BH Facts	
Star Investor (Age):	Biglari (40)
Mkt Cap:	$838M
Avg Daily Vol:	8K
P/B Ratio:	1.0
Div Yield:	N/A
YTD Return:	-11.5%
Beta:	0.31

Steel Partners Holdings (SPLP)

Warren Lichtenstein co-founded the Steel Partners hedge fund in 1990. The Steel Partners LP returned an annualized 50.7% from 1991-1995. The Steel Partners II LP returned an annualized 14.1% from 1993-2011. And the holding company Steel Partners Holdings (SPLP) returned an annualized 5.8% from 2012-2016.

SPLP Facts	
Star Investor (Age):	Lichtenstein (52)
Mkt Cap:	$512M
Avg Daily Vol:	8K
P/B Ratio:	0.8
Div Yield:	N/A
YTD Return:	28.4%
Beta:	0.81

Today, Steel Partners Holdings consists of 100%-owned businesses, controlled subsidiaries and non-controlled businesses (in total, 18 companies). Some recognizable names include: Handy & Harman (engineered industrial products), WebBank (a "picks & shovels" play on P2P lending), and Aerojet Rocketdyne (aerospace and defense leader).

Multiple Ways to Utilize This Idea

First, you can buy any of these vehicles because they all trade on exchanges just like any stock. The easiest technique is to buy a basket of all of them. For instance, a 0.2% allocation to each one for a combined allocation of 2%—or something akin to that. Admittedly, that's a lot of investments.

Second, you could just buy a few of your favorites. Maybe there are specific managers you have followed or have an affinity for. Or go with the cheapest ones (for example, those with P/B ratios under 1). Or pick ones that have been down and out recently and are potentially poised for a turnaround. Or choose those that distribute income (making sure you get paid while you wait for capital appreciation).

If you choose to not buy any of them, that's fine, too. There are other ways to benefit from our research...

Perhaps this is another idea—and list of stocks—to put in front of your top clients. Surely, the ones that do their own stock picking in isolated accounts would appreciate this little-known story and the unconventional ways to play it.

Also, along the same avenue, if you don't invest in any of them, put them on your tracking list to watch over time.

And if you're interested in reading what some of the greatest minds in finance are thinking about the markets and where they're finding value, read their annual letters to shareholders.

Here are links to company specific annual letters/ reports:

www.greenlightre.ky/financial

www.thirdpointre.com/investors/financial-information/financial-reports

www.fairfax.ca/financials/annual-reports www.markelcorp.com/investor-relations

www.ielp.com/sec.cfm

www.pershingsquareholdings.com/company-reports/letters-to-shareholders

www.oaktreecapital.com/insights/howard-marks-memos

loews.com/annual-report

www.biglariholdings.com/reports

ir.steelpartners.com/annual-letters

In certain circumstances, it may be easier to locate investment-driven letters written by these gurus on websites like www.valuewalk.com or www.gurufocus.com.

Have a good week,

Tom

Editor's Note #1: Several of these vehicles issue K-1s, so be mindful of that from a tax reporting standpoint.

Editor's Note #2: Be prepared for volatility with these investments. Although many have low betas, they are essentially leveraged financial firms. So, if the financial sector takes a hit, these companies will also get hit hard. Remember, Warren Buffett's annual returns haven't always been in the green. During his tenure, Berkshire Hathaway's share price has seen large, annual declines: down 48.7% in 1974, down 23.1% in 1990, down 19.9% in 1999, and down 31.8% in 2008. Of course, if you rode out the rough years, you were handsomely rewarded over time.

Editor's Note #3: iBillionaire has its own app, robo advisor, and index (tracked by IBLN—the Direxion iBillionaire Index ETF), as well as numerous investment strategies. The firm also has a white label product where you can invest just like a number of billionaire investors they track through 13F filings. So, if you want a portfolio of Icahn's current holdings, you can white label it however you want. And the same goes for a portfolio of multiple billionaire investors stock picks. If you're interested in learning more about any of iBillionaire's offerings, check out their website www.ibillionaire.com/institutional. Or we cleared it with him and you can email company CEO Raul Moreno directly at raul@ibillionaire.me.

Sevens Report Alpha Fund & Stock Ideas

ETF/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Index Rebal **KWEB (KraneShares CSI China Internet ETF)**	*KWEB is an index rebalance play, where Chinese "N" shares (ADRs of major Chinese internet companies like BIDU, WB, etc.) will be added to FTSE Emerging Market Indices between now and June 2018. (PGJ is an alternative if KWEB is unavailable on your platform.)* ***What to do now: Buy.***	**Issue 1:** **8/17/17** **8/24/17**	**KWEB:** **7.66%**	**SPY:** **11.03%**
Smart Beta Pioneer **RSP (Guggenheim S&P 500 Equal Weight ETF)**	*RSP has massively outperformed SPY over longer-term time frames (314% vs. 112% over 17 years). In 2017, RSP has lagged (so far) due to significant tech sector outperformance. We view this as a short-term dislocation and an opportunity to buy RSP at a discount compared to SPY.* ***What to do now: Buy.***	**Issue 2:** **9/7/17**	**RSP:** **9.49%**	**SPY:** **9.33%**
Self-Driving Car Basket **SNSR (Global X Internet of Things ETF).** **ROBO (ROBO Global Robotics & Automation Index ETF).** **AMBA (Ambarella)** **QCOM (Qualcomm)**	*Massive changes to the auto industry, including self-driving technology, are closer to the mainstream than most investors think. The foundational changes to the auto industry could be the next "Megatrend" in investing to provide outperformance for years to come.* *There is no pure play "self-driving" ETF yet, but SNSR and ROBO offer exposure to many tech companies that are best-positioned in the space. AMBA and QCOM are two of the better stocks with unique exposure to the growing self-driving car industry.* ***What to do now: Buy the ETFs. We closed QCOM a month and a half after the Broadcom takeover announcement for a quick, sizable gain. AMBA is up big, as well. If you decided to book similar profits here, that's justifiable.***	**Issue 3:** **9/21/17**	**SNSR:** **4.85%** **ROBO:** **7.42%** **AMBA:** **30.85%** **QCOM:** **23.20% (closed)**	**SPY:** **7.70%** **SPY:** **3.72%** **(through QCOM close date)**
Electric Car Battery Plays **LIT (Global X Lithium & Battery Tech ETF).** **ALB (Albemarle)**	*The trend towards the widespread adoption of electric cars is accelerating, with US auto companies planning massive roll outs and several countries putting end dates on the internal combustion engine.* *There is no pure-play "electric car" ETF, but the key here is better technology, specifically lithium. LIT is a lithium ETF. ALB is one of the leading lithium plays in the market.* ***What to do now: Longer-term investors can buy now, but as we said in the issue, LIT and ALB ran up big following China's electric car decision. Both have digested those gains, but both remain overbought. Waiting for a lower entry point for shorter/medium-term investors makes sense.***	**Issue 3:** **9/21/17**	**LIT:** **4.32%** **ALB:** **-4.15%**	**SPY:** **7.70%**
Dividend Growth **DIVY (Reality Shares DIVS ETF)** **REGL (ProShares S&P MidCap 400 Dividend Aristocrats ETF)** **SMDV (ProShares Russell 2000 Dividend Growers ETF)**	*Historically, dividends are responsible for half of the market's total return. They are an essential component of long-term outperformance. While most investors choose high-yielding dividend stocks, our research shows dividend growth stocks can generate better long-term returns.* *DIVY is the only ETF that isolates pure dividend growth. This ETF is a fixed income alternative that should provide steady single-digit returns with low volatility and true diversification. REGL and SMDV are ETFs that provide exposure to the "Dividend Aristocrats" of tomorrow.* ***What to do now: Buy.***	**Issue 4:** **10/4/17**	**DIVY:** **3.37%** **REGL:** **3.18%** **SMDV:** **-2.78%**	**AGG:** **-0.06%** **MDY:** **5.33%** **IWM:** **2.62%**
Merger Arbitrage **GABCX (Gabelli ABC Fund)** **MNA (IQ Merger Arbitrage ETF)**	*Merger arbitrage is a time-tested hedge fund strategy. It seeks to profit from the timely completion of mergers, takeovers and corporate re-orgs. The strategy has produced solid absolute returns with low correlations to stocks and bonds.* *GABCX and MNA are the two best-performing—and cheapest—options to invest in this space.* ***What to do now: Buy.***	**Issue 5:** **10/17/17**	**GABCX:** **0.29%** **MNA:** **0.52%**	**BIL:** **0.08%**

Sevens Report Alpha Fund & Stock Ideas

ETF/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Special Dividends **List of 24 stocks**	*Screened 17,070 stocks to arrive at 24 stocks that have consistently paid large special dividends. Since these yields aren't available on financial websites, the average investor can't see their "hidden income" potential. Our elite list of two dozen special dividend payers have yields that are anywhere from 50% to 600% higher than the S&P 500's yield.* ***What to do now: Buy (multiple ways to implement in issue).***	**Issue 6:** **10/31/17**	**24 stocks:** **6.43%**	**50% SPY/50% AGG:** **2.20%**
Insider Sentiment **KNOW (Direxion All Cap Insider Sentiment Shares ETF)**	*Numerous academic studies prove following corporate insider buying is a strategy that can outperform. KNOW—and its underlying index—have been consistent outperformers.* ***What to do now: Buy.***	**Issue 7:** **11/14/17**	**KNOW:** **7.13%**	**SPY:** **4.21%**
Global Value **GVAL (Cambria Global Value ETF)**	*A fundamentally-focused deep value strategy that uses a cyclically-adjusted valuation composite to evaluate 45 global countries for investment. GVAL captures not only the cheapest countries, but the most undervalued stocks in those specific countries, too.* ***What to do now: Buy.***	**Issue 9:** **12/12/17**	**GVAL:** **2.53%**	**ACWI:** **0.94%**