

Sevens Report Alpha Fund & Stock Ideas

ETF/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
<u>Index Rebal</u> KWEB (KraneShares CSI China Internet ETF)	<p>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.)</p> <p>What to do now: Buy.</p>	<p>Issue 1: 8/17/17 8/24/17</p>	<p>KWEB: 15.06%</p>	<p>SPY: 14.46%</p>
<u>Smart Beta Pioneer</u> RSP (Guggenheim S&P 500 Equal Weight ETF)	<p>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.</p> <p>What to do now: Buy.</p>	<p>Issue 2: 9/7/17</p>	<p>RSP: 11.50%</p>	<p>SPY: 12.70%</p>
<u>Self-Driving Car Basket</u> SNSR (Global X Internet of Things ETF). ROBO (ROBO Global Robotics & Automation Index ETF). AMBA (Ambarella) QCOM (Qualcomm)	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Issue 3: 9/21/17</p>	<p>SNSR: 7.44% ROBO: 15.41% AMBA: 5.06% QCOM: 23.20% (closed)</p>	<p>SPY: 11.01% SPY: 3.72% (through QCOM close date)</p>
<u>Electric Car Battery Plays</u> LIT (Global X Lithium & Battery Tech ETF). ALB (Albemarle)	<p>The trend towards the widespread adoption of electric cars is accelerating, with U.S. auto companies planning massive roll outs and several countries putting end dates on the internal combustion engine.</p> <p>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.</p> <p>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.</p>	<p>Issue 3: 9/21/17</p>	<p>LIT: -3.53% ALB: -21.60%</p>	<p>SPY: 11.01%</p>
<u>Dividend Growth</u> DIVY (Reality Shares DIVS ETF) REGL (ProShares S&P MidCap 400 Dividend Aristocrats ETF) SMDV (ProShares Russell 2000 Dividend Growers ETF)	<p>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.</p> <p>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.</p> <p>What to do now: Buy.</p>	<p>Issue 4: 10/4/17</p>	<p>DIVY: 4.81% REGL: 1.91% SMDV: -4.25%</p>	<p>AGG: -1.43% MDY: 6.03% IWM: 3.05%</p>
<u>Merger Arbitrage</u> GABCX (Gabelli ABC Fund) MNA (IQ Merger Arbitrage ETF)	<p>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.</p> <p>GABCX and MNA are the two best-performing—and cheapest—options to invest in this space.</p> <p>What to do now: Buy.</p>	<p>Issue 5: 10/17/17</p>	<p>GABCX: 0.91% MNA: 2.14%</p>	<p>BIL: 0.40%</p>

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<u>Special Dividends</u> 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	Basket of stocks (avg.): 4.87%	50% SPY/50% AGG: 3.12%
<u>Insider Sentiment</u> 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: 7.55%	SPY: 7.42%
<u>Global Value</u> 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 the cheapest countries and the cheapest stocks in those specific countries, too. What to do now: Buy.	Issue 9: 12/12/17	GVAL: 10.47%	ACWI: 4.59%
<u>"Backdoor" Hedge Fund Investing</u> List of 10 stocks	It's almost impossible for investors to access the world's best hedge fund managers. Either their funds are closed, the minimums are too steep (in the millions), or the fees are outrageously high ('2 & 20'). We found 10 little-known ways to access star managers who have produced Buffett-like returns. What to do now: Buy (multiple ways to implement in issue).	Issue 10: 12/27/17	Basket of stocks (avg.): 1.28%	50% SPY/50% AGG: 0.67%
<u>Emerging and Frontier Market Bonds</u> EMB (iShares J.P. Morgan USD Emerging Markets Bond ETF) EMLC (VanEck J.P. Morgan EM Local Currency Bond ETF (EMLC)) EBND (SPDR Bloomberg Barclays Emerging Markets Local Bond ETF) AGEYX (American Beacon Global Evolution Frontier Markets)	Most investors have no allocation to fixed income outside the U.S., but we think it's worth serious consideration. Emerging and frontier debt funds have yields 2X, 3X, and 4X the yields of traditional fixed income investments... low correlations to major asset classes... and healthier fundamentals (lower debt-to-GDP ratios, faster-growing economies, and better demographics) from a country perspective. EMB (emerging market debt hard currency), EMLC/EBND (emerging market debt local currency), and AGEYX (actively-managed frontier market debt) are all attractive options. What to do now: Buy.	Issue 11: 1/9/18	EMB: -1.49% EMLC: 1.91% EBND: 1.07% AGEYX: 1.11%	AGG: -1.17%
<u>"Blockchain" Investing</u> List of 25 stocks	Blockchain, the technology behind cryptos, has the potential to change many industries. Having the right exposure to companies using or pioneering the use of blockchain, offers substantial long-term growth opportunities. Not only did we break the story on the first two blockchain ETFs (BLOK and BLCN) ahead of every financial media outlet, we also provided a sneak peek at their top holdings (and "blockchain" primer).	Issue 12: 1/16/18	Basket of stocks (avg.): -1.30%	50% SPY: -0.55%

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