SEVENS REPORT *alpha*

April 3, 2018

In Today's Issue

- Update on all strategies and portfolio picks, including: thesis, performance comparison, updated outlook, and links to each corresponding issue.
- Ideas are grouped into strategies: Core Portfolio, Dividend-Oriented, Thematic, Index Arbitrage, Unconventional Ideas, Specialized Bonds, Absolute Return, Cash Management & Bonus Ideas & Stock Lists.

Semi-Annual Update

Since we launched Sevens Report Alpha about seven months ago, we've covered numerous ideas, strategies, and portfolio recommendations.

With a running list of 28 tracked recommendations and many other "bonus" ideas, we thought it would be an appropriate time for a semi-annual review.

We realize you're not going to act on every single recommendation. And that's why we've made it a point to touch on multiple asset classes and different investment approaches along the way.

Our hope is that you'll find a couple solutions you can implement in model portfolios.

At the very least, we've provided a number of unconventional strategies that you probably won't read about anywhere else. For instance, some of our unorthodox stock strategies can make for great conversations—and even direct handoffs—with certain clients. A couple advisors have told us that they share some of our unique ideas in suitable client meetings.

You can either credit us or take the credit yourself. We don't mind either way.

Whether you're a new Alpha subscriber or one of the originals, this issue will give you a quick rundown on each strategy and the accompanying recommendations. Plus, we've conveniently linked to each corresponding issue if you want one-click access all in one spot.

As a heads-up, we aren't waffling on any of these picks. All of our recommendations, with the possible exception of the index arbitrage plays, have longer-term horizons and are still "buys." By and large, the financial advisory business adheres to long-term investing discipline. And that has been our goal in the majority of our research.

That doesn't mean we won't offer, on occasion, some shorter-term strategies if those opportunities arise.

Core Strategies

Equal Weight: Guggenheim S&P 500 Equal Weight ETF (RSP)

Thesis: The S&P 500 Equal Weight Index has significantly outperformed the S&P 500 Index over the last 18 years (306% vs. 193%). RSP doesn't overweight the most expensive stocks. Instead, it gives each stock a fixed 0.2% weight regardless of market cap. This ETF's straightforward strategy doesn't favor any specific group of stocks, reduces concentration risk (reeling in tech exposure), and rebalances quarterly.

Performance: RSP 8.10% vs. SPY 8.10%.

Updated Outlook: RSP has lagged for most of the time since we recommended it. But, the tide has turned with the recent tech selloff. RSP has caught up (performance-wise) with SPY. We think RSP as a long-term, core allocation makes a lot of sense. If you don't want to replace a SPY-like allocation, it can work alongside a market-cap approach, as well. Either way, this strategy goes against overweighting stocks that get more expensive and underweighting stocks that get cheaper. RSP is a quasi-value or reversion to the mean play.

Full Issue Link: Click here.

Global Value Hunter: Cambria Global Value ETF (GVAL)

Thesis: Historically, buying cheap stocks works over the long haul. This ETF is a deep value strategy that uses a cyclically-adjusted valuation composite to evaluate 45 countries for investment. Basically, it goes bargain hunting across the globe. GVAL's portfolio ends up allocating to the 10 cheapest stocks in the 10 cheapest countries. As an added benefit, GVAL is on autopilot. That means it sits on its holdings for a full year and then recalibrates.

Performance: GVAL 5.96% vs. ACWI 0.68%.

Updated Outlook: GVAL has killed in terms of outperformance so far. Yes, you need a strong stomach to look at some of GVAL's underlying holdings. But, all investors could benefit from buying some stocks that might make them a little sick in the stomach at first glance. GVAL's stocks might be a little nauseating at first, but this strategy (buying the market's cheapest stocks) has produced superior long-term results. As Meb Faber says, the best-performing quadrant out of cheap, expensive, uptrend, and downtrend is "cheap" and in an "uptrend." That's exactly where GVAL resides. With the U.S. being the 2nd most expensive country out of 44 countries on GVAL's hit list, this ETF makes for a very attractive foreign value allocation.

Full Issue Link: Click here.

Dividend-Oriented Strategies

Pure Dividend Growth: Reality Shares DIVS ETF (DIVY)

Thesis: DIVY is the only fund that isolates pure dividend growth. This ETF hones in on the S&P 500's dividend growth without exposure to stock-specific price risk. S&P 500 dividend growth has only declined in three of the last 45 years, while S&P 500 returns have been negative in nine of the last 45 years. DIVY has produced positive annual returns (close to 6% annualized) with bond-like volatility through its first three years in existence.

Performance: DIVY 6.53% vs. AGG -1.16%.

Updated Outlook: We're extremely pleased with DIVY's outperformance (almost 8% better than AGG) since we recommended it. It's performed even better than we imagined over about six months. Even if the outperformance gap closes some, S&P 500 dividend growth has averaged around 6% over the long term and we think that beats the future returns of the Agg. What's amazing to us is DIVY possesses one of the most inventive strategies in the entire fund universe and hardly anyone knows about it, or is willing to try to understand it. As a financial advisor, you can probably resonate with Eric Ervin's story of why he created this ETF. He's a former financial advisor, as well!

Full Issue Link: Click here.

Aggressive Dividend Growth: ProShares S&P MidCap 400 Dividend Aristocrats ETF (REGL), ProShares Russell 2000 Dividend Growers ETF (SMDV)

Thesis: Over multiple decades, dividend growers have outperformed dividend non-changers, dividend non-payers, and dividend cutters. The "Dividend Aristocrats" are the holy grail of dividend growth investing. This cream of the crop group of S&P 500 companies have increased their dividends every year for at least 25 straight years. They've also outperformed the S&P 500 over the long term. But what about mid-caps and small-caps? They have higher dividend growth rates. Enter ProShares' REGL and SMDV. REGL focuses on companies in the S&P Midcap 400 Index that have grown dividends for at least 15 consecutive years. And SMDV concentrates on companies in the Russell 2000 Index that have grown dividends for at least 10 consecutive years.

Performance: REGL 1.36% vs. MDY 4.26%... SMDV -4.79% vs. 1.94%.

Updated Outlook: Performance has been underwhelming so far, but we're not ready to throw in the towel. Both of these ETFs have more concentrated portfolios than their S&P MidCap 400 Index and Russell 2000 Index counterparts. REGL has 51 holdings and SMDV has 59 holdings. So, in the short term, it's reasonable to experience some ups and downs. The long-term case for dividend growth stocks has been validated over history and it doesn't just apply to large-caps. These stocks could be the Dividend Aristocrats of tomorrow. Or they could remain in their respective capitalization spaces and continue to grind out fast-growing dividend streams for shareholders.

Full Issue Link: Click here.

Special Dividends: List of 24 Stocks

Thesis: We screened over 17,000 stocks to narrow it down to a list of 24 stocks that have consistently paid large special dividends. This is an exclusive list because we don't think anyone has done this kind of research on special dividends. It's also unique due to the fact that investors can't see the true yields of these stocks. Financial websites (CNBC, Yahoo Finance, MarketWatch, etc.) don't report special dividends in their yield calculations since they're labeled as "one-off" dividends. But we know different. Our elite list has yields that are 2X to 6X higher than the S&P 500's yield.

Performance: Special Dividend Stock Basket 4.10% vs. 50% SPY/50% AGG 1.06%.

Updated Outlook: Outperformance has been strong so far. We think this is a great list—and unique story—to share with your clients who like to dabble in stock picking. Especially, yield-seeking and dividend-oriented clients. These stocks should hold up better than typical dividend yield stocks in a rising rate environment because their combined dividend yields are invisible to swarms of yield-thirsty investors. In addition, many of them have simple business models, low valuations, and sturdy balance sheets.

Full Issue Link: Click here.

Thematic Strategies

Self-Driving Cars: Global X Internet of Things ETF (SNSR), ROBO Global Robotics & Automation Index ETF (ROBO), Ambarella (AMBA), Qualcomm (QCOM)

Thesis: The automobile industry drives about $1 trillion into the economy each year. But, it's in the process of a transformational change. That's because advancements in graphics processing units (GPUs), special radar, and artificial intelligence have enabled autonomous driving technology. Self-driving personal cars are already here and have been through comprehensive tests. Shared autonomous vehicles (think Uber without a driver) are on deck. SNSR and ROBO have exposure to companies that build chips, sensors, and cameras that give vehicles "robotic vision."

Performance: SNSR 6.11% vs. SPY 6.48%... ROBO 8.90% vs. SPY 6.48%... AMBA 6.89% vs. SPY 6.48%... QCOM 23.20% vs. SPY 3.72%.

Updated Outlook: Our self-driving plays (ETFs and stocks) have performed pretty well to date. We closed out QCOM for a big gain in less than two months on the Broadcom takeover announcement. AMBA's performance has been all over the map, but that comes with the territory (small-cap, disruptive technology stock). It's still slightly ahead of the S&P 500 to date. Autonomous driving technology is a megatrend and warrants a long-term approach. SNSR and ROBO also offer ancillary exposure to other sweeping tech trends: Internet of Things, robotics, camera technology, and artificial intelligence.

Full Issue Link: Click here.

Electric Cars: Global X Lithium & Battery Tech ETF (LIT), Albemarle (ALB)

Thesis: Another crucial piece of the evolution of the car industry is the switch from gasoline to electricity. Namely, electric cars. Experts predict 35% of the car market will be made up of electric cars by 2035… all new cars will be electric in 20 years… and a billion electric vehicles will be on the road by 2050 (matching vehicles powered by the internal combustion engine). Lithium-ion battery technology is behind the electric car revolution. LIT provides exposure to the full value chain for lithium (mining, refining, and battery production). ALB is the best individual lithium play, as its share of global lithium is estimated to be around 35%.

Performance: LIT -10.3% vs. SPY 6.48%... ALB -30.9% vs. SPY 6.48%.

Updated Outlook: As with anything that's new and transformational, there will be some hiccups along the way. Our electric car plays have been our worst performers—by a long shot—thus far. To be fair, we did warn about the price runup in lithium battery plays (like LIT and ALB since the end of 2015) in our issue. However, we still think there's a great growth opportunity out several years, if not decades, for lithium and electric cars.

Full Issue Link: Click here.

Blockchain: List of 25 stocks, Amplify Transformational Data Sharing ETF (BLOK), Reality Shares Nasdaq NexGen Economy ETF (BLCN)

Thesis: Blockchain technology is a decentralized database that stores a registry of assets and transactions across a peer-to-peer network. The transactions are secured through cryptography and their history gets locked into blocks of data that are linked together and secured. Blockchain investing is a "pick-and-shovel" play on the rapidly-changing cryptocurrency market. But, even more enticing, is that this technology has immense potential to change many industries. Basically, if an industry deals with data or transactions of any kind, it's likely a field that can be disrupted by blockchain technology. Having exposure to companies that are utilizing and pioneering the use of this groundbreaking technology, offers substantial long-term growth opportunities.

Performance: Blockchain Stock Basket -5.92% vs. SPY -4.61%... BLOK -4.49% vs. SPY -5.51%... BLCN -6.65% vs. SPY -5.51%. **Note:** Going forward, we're going to switch from tracking the 25 stocks to tracking BLOK and BLCN. Not only is it easier for us, but these ETFs have been very successful in terms of assets, it's an evolving industry (meaning, holdings can change regularly), and we know advisors prefer ETFs.

Updated Outlook: There's a new story on blockchain daily. If you want to read those stories, you can sign up for Emerita Capital's Blockchain Digest right here. We did. Over the long term, it's hard to believe blockchain won't have a major impact on the world as we know it. While cryptos have taken a recent nosedive, blockchain-related stocks have held up much better. This is an interesting story to talk to clients about—including, a direction to steer the "I want to buy Bitcoin, Ethereum, Dash, and Ripple" conversations to blockchain. In the issue, we provide a blockchain primer and multiple ways to play this thematic investing opportunity.

Full Issue Link: Click here.

Index Arbitrage Strategies

Index Rebalance Effect: KraneShares CSI China Internet ETF (KWEB), KraneShares Bosera MSCI China A Share ETF (KBA)

Thesis: The "index rebalance effect" is alive and well. We illustrated numerous examples of how it has worked in both issues. This strategy allows us to legally front-run—and get ahead of enormous fund flows from—the iShares, State Streets, and Vanguards of the fund world. Due to the index modifications, benchmarked funds must precisely follow each change. With the FSTE rebalance, massive index funds are being forced to buy China internet stocks (Alibaba, Baidu, Weibo, etc.) due to their inclusion in FTSE Global Indices. And with the MSCI rebalance (the inclusion of Mainland Chinese equities), the same thing is happening. KWEB and KBA represent our gateways to get ahead of billions and billions of dollars of fund inflows.

Performance: KWEB 13.05% vs. SPY 9.78%... KBA -2.81% vs. SPY -2.88%.

Updated Outlook: KWEB has performed well on a relative basis. It's the China "growth" trade. The fourth inclusion step is set to take place in June 2018. We'll revisit KWEB at that point. But, we plan to close the position after that step. It's too early to comment on KBA's performance. KBA is the China "value" trade. This one will take a while to play out, but we're ahead of the game by getting in ahead of the initial inclusion steps. Beyond the index rebalance opportunity, Chinese growth and value stocks are attractive on their own merits.

Full Issue Link: Click here (KWEB) and here (KBA).

Unconventional Strategies

Insider Sentiment: Direxion All Cap Insider Sentiment Shares ETF (KNOW)

Thesis: Several academic studies have proven that following insider buying (purchases by corporate execs such as CEOs and CFOs) leads to market outperformance. Over the last 50 years, six studies based on insider buying have shown outperformance of 6% to 10% per year versus the broader market. Sabrient Systems built an index in 2001—with modifications made in 2007—to track insider activity and sentiment. It isn't just tracking insider moves through SEC filings, though. The math quants at Sabrient added other overlays (Wall Street analysts' opinions and defensive methodologies) to improve performance and limit drawdowns. Direxion's

KNOW, which is benchmarked to the Sabrient Multi Cap Insider/Quant-weighted Index, has outperformed the S&P 500 in 4 of the last 5 years.

Performance: KNOW 5.24% vs. SPY 3.04%.

Updated Outlook: KNOW has considerably outperformed SPY since our recommendation. This strategy, while gimmicky to some, is well-reasoned. It's plausible to assume that someone who works at a publicly-traded company on a daily basis, is involved with a company's financials, and sits in on boardroom meetings… would know more about that company than a hedge fund manager, portfolio manager, or analyst. Corporate insiders are more "in the know" than anyone else when it pertains to their companies. This "legal" investment strategy is the next best thing to trading "illegally" off inside information. And it works.

Full Issue Link: Click here.

"Backdoor" Hedge Fund Vehicles: List of 10 stocks

Thesis: The hedge fund industry gets a bad rap. Even though the average hedge fund has underperformed, there's a short list of top-tier hedge funds that have delivered magnificent returns for their shareholders over time. The problem is it's nearly impossible for investors to access them. The routine reasons are either the flagship funds are closed, the minimums are too high (i.e., $10 million in some cases), or the fees are egregious ('2 & 20'). We've found 10 backdoor ways—via insurers, reinsurers, conglomerates, and holding companies—that grant access to world-class investors. These gurus have used an array of tools (longs, shorts, bonds, private equity, alternatives, etc.) to achieve Warren Buffet-like returns over the long term.

Performance: Hedge Fund Stock Basket -4.12% vs. 50% SPY/50% AGG -1.31%.

Updated Outlook: These 10 stocks have been a mixed bag in terms of relative performance. But, the group has lagged a 50/50 benchmark of stocks and bonds. As we warned in the issue, we're dealing with individual securities, so this will be a more volatile ride than an ETF or mutual fund. But, we believe these vehicles have a good shot at outperforming our custom benchmark over a full market cycle (through a bull and bear market). This is another one-of-a-kind list of stocks to show to clients who like to trade stocks in their personal accounts. And "backdoor" hedge fund investing is a compelling story—along with intriguing imbedded stories about each investment expert—to relay to clients, too.

Full Issue Link: Click here.

Specialized Bond Strategies

Emerging Market Debt: iShares JPM USD Emerging Markets Bond ETF (EMB), VanEck JPM EM Local Currency Bond ETF (EMLC), SPDR Bloomberg Barclays Emerging Markets Local Bond ETF (EBND)

Thesis: The large majority of U.S. investors have no exposure to fixed income outside the U.S. (including foreign currencies). Emerging market debt is a potential missing "sweet spot" in global fixed income markets. The investment case for emerging market debt funds includes: enhanced yields of 5% to 6% (2X and 3X the yields of traditional bond investments), low correlations to major asset classes, and healthy fundamentals (higher growth rates, low net debt-to-GDP ratios, and better demographic setups.

Performance: EMB -2.31% vs. AGG -0.90%... EMLC 3.35% vs. AGG -0.90%... EBND 1.98% vs. AGG -0.90%.

Updated Outlook: Decent outperformance over AGG here for the local currency debt funds (EMLC and EBND). And since the U.S. dollar has declined in 2018, EMB is lagging AGG, EMLC, and EBND. If you have no allocation to emerging market bonds, which Fran Rodilosso (VanEck's Head of Fixed Income ETF Portfolio Management) told us is the case with the average advisor, you might want consider one of these ETFs. Since most investors also have a home country bias in terms of currency exposure, we personally prefer the local currency debt options.

Full Issue Link: Click here.

Frontier Market Debt: American Beacon Global Evolution Frontier Markets Income Fund (AGEYX)

Thesis: Same investment case here as mentioned above. Frontier markets are a subset of emerging market countries with smaller economies that are at an earlier stage of economic and financial market development. Performance drivers consist of untapped natural resources, high economic growth rates, improving political and economic governance, and the maturation of local financial markets. AGEYX is the lone frontier market debt fund in the fund universe. It has a yield that is roughly 4X the yield of traditional bond investments. Plus the fund offers even lower correlations to other asset classes and the potential for greater diversification with a frontier markets opportunity set of over 100 countries.

Performance: AGEYX 1.38% vs. AGG -0.90%.

Updated Outlook: If you're willing to take on a little more risk beyond emerging market sovereign debt, frontier market debt is the next step. AGEYX provides even higher yields (close to 9%) than emerging market fund options. The sub-advisor, Global Evolution, also operates through an ESG lens to locate sovereign debt with high single-digit to double-digit yields. We're told this fund may initiate a "soft close" at $500 million in assets. It's more then halfway there ($260 million), but there's still time to get in.

Full Issue Link: Click here.

Active Bond ETFs: PIMCO Active Bond ETF (BOND), SPDR DoubleLine Total Return Tactical ETF (TOTL), First Trust Senior Loan Fund (FTSL)

Thesis: Studies show that actively-managed fixed income funds have been much more successful at beating benchmarks than actively-managed equity funds. We like these three active management teams to outmaneuver the "Agg" going forward. From an investment perspective, the Agg has changed for the worse over time: lower yield, higher duration, and more concentration. These three active ETFs have better statistics (higher yields, lower durations, etc.), proven track records, and experienced management teams. If you're open to active management, we'd argue an investor has a better opportunity for outperformance in fixed income rather than equities.

Performance: BOND 0.54% vs. AGG 0.75%... TOTL 0.58% vs. AGG 0.75%... FTSL 0.25% vs. AGG 0.75%.

Updated Outlook: These three ETFs are all underperforming AGG, but it's only been about a month since our write-up. Over time, we strongly believe this flip-flops. Experienced management teams with quality records of performance should have a leg up on navigating the challenging fixed income environment that lies ahead. It's hard to dispute PIMCO's long-standing, bond expertise or Gundlach's God-given talents. And as interest rates inevitably continue to rise, a senior loan fund is a good countermove. We prefer First Trust's seasoned management that stresses downside protection.

Full Issue Link: Click here.

Absolute Return Strategies

Merger Arbitrage: Gabelli ABC Fund (GABCX), IQ Merger Arbitrage ETF (MNA)

Thesis: Merger arbitrage is one of the oldest and best hedge fund strategies around. It seeks to profit from the timely completion of mergers, takeovers, and corporate reorganizations. This market-neutral strategy has produced an impressive history of absolute returns with low correlations to stocks and bonds. We've nominated two of the best performing—and cheapest—M&A fund options available. "The Deal Fund" (GABCX) is a mutual fund with a long-standing, impeccable track record (positive returns in 24 of the last 25 calendar years). And MNA has the longest track record (almost 10 years) and largest asset base of any merger-related ETF on the market.

Performance: GABCX 0.33% vs. AGG -1.36%... MNA -0.23% vs. AGG -1.36%.

Updated Outlook: Over the last 25-plus years, merger arbitrage returns have fallen between the returns of stocks and bonds. We offered merger arbitrage as a bond-beating strategy without the income. Its standard deviation has been much closer to bonds than stocks. The beauty of merger arbitrage is you can avoid the big down years, which helps with capital preservation over the long run. Advisors can use this strategy in a couple different ways: a cash-like equivalent with extra juice… a fixed income supplement with a good chance of outperforming the Agg… or a hybrid equity allocation, which should hold up very well in a bear market. Large corporate cash balances, robust deal activity, low rates, low growth, and an aging bull market all play into this strategy's favor.

Full Issue Link: Click here.

Cash Management Strategies

Cash Alpha: FPA New Income (FPNIX), MaxMyInterest

Thesis: You don't have to settle for the low-to-no yields of typical cash instruments (checking/savings accounts, MMAs, MMFs, CDs, etc.). We've discovered two fantastic alternatives. FPNIX is an under-the-radar mutual fund with 33 consecutive years of positive returns. No other non-government bond fund can match that track record. And MaxMyInterest is an ingenious platform that produces 140 to 150 basis points of cash alpha by tapping into online banks. "Max" gets even better because it increases FDIC insurance protection and gives advisors visibility to held-away cash. (Meaning, you increase your chances of winning more AUM by using it!)

Performance: FPNIX 0.40% vs. BIL 0.16%.

Updated Outlook: This is one of my favorite issues because everyone has exposure to cash and these are two great solutions for paltry yields on cash. These options are no-brainers if you've been using archaic options for cash. It's been less than a month, and FPNIX already has a sizable lead on traditional cash returns. This distinguished mutual fund should continue to build on its record-breaking history. With Max, there are so many benefits: 140 to 150 bps of cash alpha, increased insurance protection, and the possibility for an advisor to gain visibility to held-away cash. Honestly, there's no reason you couldn't employ both cash management solutions. Max for typical shorter-term cash and FPNIX for mid- to longer-term cash.

Full Issue Link: Click here.

Other "Bonus" Strategies (Outperformers)

Insider Sentiment Stock Picks

Thesis: We already know Direxion's ETF (KNOW) has outperformed in the past and so has the Sabrient Multi Cap Insider/Quant-weighted Index. With these 10 stocks, we stripped out the defensive overlay and pinpointed "insider/analyst score" (number of open market insider buyers + percentage change in ownership combined with the number of analysts covering the stock + percentage of analysts who have raised EPS estimates + percentage change in EPS estimates). This left us with the stocks that had the highest level of insider sentiment from corporate executives and Wall Street analysts.

Performance: Insider/Analyst Score Stock Basket 7.60% vs. SPY 3.04%.

Updated Outlook: Over four and half months, these 10 stocks have delivered substantial outperformance. This is a more aggressive approach than KNOW with the defensive characteristics removed. If this bull market continues, these names should continue outperforming. And even if the bull market slows or goes the other way, these names could still outperform due to their insider backing.

Link to Top 10 Insider/Analyst Score Stocks: Click here.

8% Free Cash Flow Yielders

Thesis: Ali Motamed (a former Morningstar Manager of the Year) suggested emphasizing free cash flow on one of our first couple Alpha webcasts. He advised running a screen on S&P 500 companies with free cash flow yields of 8% or higher. That's exactly what we did. The results included 75 companies.

Performance: 8% FCF Yield Stock Basket 8.25% vs. SPY 6.07%.

Updated Outlook: This has worked well. Ali is a proponent of strong free cash flows (especially, in period of distress in the market). If we continue to see higher—and more normal—levels of volatility, stocks with solid free cash flows should continue to outperform.

Link to 8% FCF Yield Stocks: Click here.

8% Free Cash Flow Yielders + Positive Free Cash Flow Growth (1yr, 3yr, and 5yr)

Thesis: Free cash flow yield is a good start, but free cash flow growth should be part of the equation, too. That's what the free cash flow experts at TrimTabs believe. Companies that have experienced multiple years of free cash flow growth have outperformed. We kept Ali's original suggestion of 8% free cash flow yields, but added the additional requirement of positive free cash flow growth over 1-, 3-, and 5-year periods in a sequel screen. This time, we expanded our universe of stocks (Russell 3000 instead of S&P 500). The results included

100 companies.

Performance: 8% FCF Yield + FCF Growth Stock Basket 0.93% vs. IWV -0.83%.

Updated Outlook: Our first screen had a value twist to it. This adds in some growth metrics, even if they still involve free cash flow. We like adding in some more metrics—particularly, multiple years of free cash flow growth—to Ali's angle.

Link to 8% FCF Yield + FCF Growth Stocks: Click here.

TrimTabs Top Stock Picks

Thesis: Janet Flanders Johnston (portfolio manager at TrimTabs with 30-plus years of investment experience) gave us her top eight stock picks (five U.S. stocks and three foreign stocks). These companies meet TrimTabs' prerequisites of strong free cash flow growth, solid balance sheets, and share count reduction. Plus, they each have additional catalysts working in their favor.

Performance: TrimTabs Stocks Basket 2.58% vs. SPY -1.31%.

Updated Outlook: It's early here, but the outperformance has been significant out of the gate. Relying on Janet's stock-picking ability and TrimTabs' free cash flow concentration, I expect these names, as a group, to keep their lead on the rest of the market. Again, especially, if we continue to see heightened volatility.

Link to TrimTabs Top Stocks: Click here.

Other "Bonus" Ideas

Asset Life Settlements

Thesis: Asset life settlements offer a little-known solution for insurance policies that are no longer needed, wanted, or affordable. 82% of seniors are not aware that an alternative exists beyond lapse or surrender. As an advisor, this retirement liquidity solution can be a valuable tool to have in your investment toolbox because it 1) Can earn more money (2X to 5X cash surrender value), 2) Provide relief from premium payments, 3) Grow your AUM, and 4) Allow you to earn commissions if you so choose.

Full Issue Link: Click here.

AAII Investor Conference Notes

Thesis: Our Cliff's Notes contain detailed notes from the 16 top sessions at the conference. Top speakers: Jeffrey Kleintop (Schwab), Christine Benz (Morningstar), Sam Stovall (CFRA), Bruce Johnstone (Fidelity), Meir Statman (Santa Clara University), Larry Swedroe (BAM), to name a few. Session topics: market outlooks, behavioral finance, retirement planning, momentum investing, dividend investing, and much more. Over 40 stock picks highlighted. As an Alpha subscriber, it's like you attended without the registration costs, travel expenses, and lost time away from the office/home.

Full Issue Link: Click here (Part 1) and here (Part 2).

Inside ETFs Conference Notes

Thesis: Our Cliff's Notes contain detailed notes from the 20 top sessions at the "World's Largest ETF Conference." Top speakers: Mohamed El-Erian (Allianz), Rob Arnott (Research Affiliates), Mortimer Buckley (Vanguard), Jeffrey Sherman (DoubleLine), David Braun (PIMCO), Hardeep Walia (Motif Investing), to name a few. Session topics: market outlooks, smart beta, active management, ESG, cryptos, alternatives, and much more. Over 25 ETF picks highlighted. As an Alpha subscriber, it's like you attended without the registration costs, travel expenses, and lost time away from the office/home.

Full Issue Link: Click here (Part 1) and here (Part 2).

Best,

Tom