SEVENS REPORT *alpha*

December 18, 2018

In Today's Issue

- Is it finally time to rotate from growth to value?
- Getting the value to growth rotation right in 2014 led to massive outperformance. I believe getting the growth to value rotation right will lead to outperformance over the coming years.
- Since September 30, value has relatively outperformed growth and the YTD gap between the two styles is closing rapidly. And, for the first time in years, the tech sector is facing material, structural headwinds.
- RPV: A value ETF with minimal tech sector exposure that offers a strong, broad alternative to more widely held, simplistic value ETFs.
- DVP: Unique, under the radar ultra-concentrated value ETF that has returned more than 50% over a three year period and outperformed the S&P 500.

Finding the Best Value ETFs for 2019

"Is it finally time to rotate out of growth and into value?"

That's one of the most common questions I've wondered about and been asked over the past several years and especially during this tech led market correction.

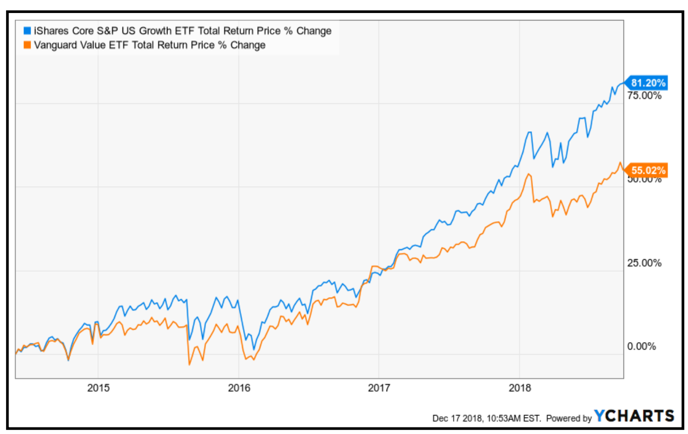
And, it's an important question for advisors and investors because, very broadly speaking, getting the rotation from value to growth in 2014 paved the way for significant outperformance, and in this new market, recognizing the rotation from growth to value (when it happens) could lead to similar long term outperformance.

I don't need many statistics to prove what we already know—namely that "growth" styles have massively outperformed "value" styles over the past several years.

Consider:

From March 2009 (the bottom) through June of 2014, growth and value styles were effectively producing the same return: 191% cumulative return for "value" and 198% for "growth."

But, since June 2014 through September 30th growth crushed value, returning 81% vs. just 55% for value.



However, as we all know, nothing lasts forever in

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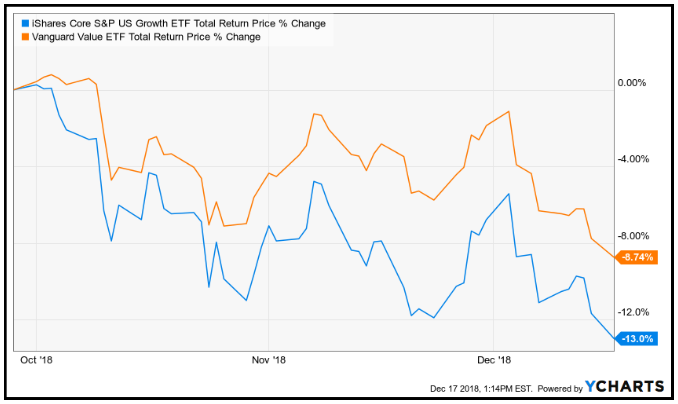
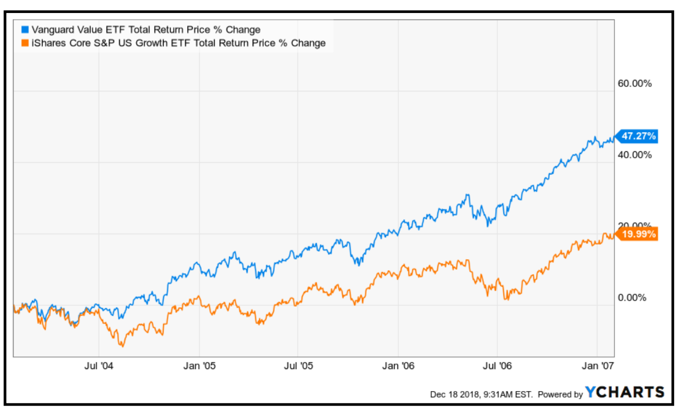
the markets.

Since September 30, growth has dropped 12.6% while value has declined a more modest 8.2%, so more than 4% relative outperformance in just over two months.



Year to date, growth performance is still slightly positive while value performance is negative.

But, there are a number of signs implying this is a different market and we need to seriously consider the fact that value is going to outperform growth going forward, **just as it did during the '00-'07 time frame, following the big tech run of the 2000s, when value returned 47.27% compared to just 19.9% for growth.**



I believe recognizing and acting on this eventual growth to value rotation will be very important to outperforming for clients over the coming years, just like allocating to growth was instrumental in outperforming since 2014.

It's too early to say definitively that it's time to rotate to value from growth as there have been several head fakes over the years. But, for the first time since 2014 when growth started to materially outperform, the tech sector is facing real, legitimate headwinds (more on that in a minute).

Additionally, the broader economy is showing signs of exhaustion, and re-allocating to sectors with lower multiples certainly has merit in that type of environment.

Bottom line, I view this potential transition from growth to value as one of the most important events to get "right" for advisors over the coming years.

As such, I want to make sure we tell you 1) When this rotation is occurring in earnest and when we think it's time to rotate and 2) What to buy in the value space, because there are a lot of "value" funds out there and it helps to know exactly where to go when it's time to rotate.

That's the purpose of today's Alpha issue.

Canaries in a Tech Coal Mine—Has Tech (and Growth) Peaked?

The tech sector is facing the biggest set of challenges it's seen in years.

First, there are global trade issues given the U.S-China trade conflict. This is a risk to tech in two ways. First, there's a demand risk as China could tariff incoming U.S. tech goods (AAPL) reducing Chinese consumer demand. Second, there's a supply risk. The majority of U.S. tech companies have global supply chains that involve Chinese companies. Tariffs on inputs or lack of availability of components could compress margins or interrupt production.

Second, social media and search companies are fac-

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ing a double-edged sword of social backlash and governmental regulatory fears, something businesses like Google, Amazon, Facebook and others have never experienced before.

Those risks clearly land on the demand side from reduced users combined with likely compressed margins due to the near certainty of governmental regulation.

Finally, still-expensive premiums in tech/growth valuations would top the list of possible triggers for an exodus out of tech.

Not coincidentally, we've seen each of these factors manifest to some degree in 2018. Furthermore, there is mounting evidence that even the largest and most respected companies in the world are finding it hard to beat expectations on a regular basis. Apple's 25% dive over the last two months is testament to that pressure.

Moreover, analysts now are beginning to reduce their multiples on the tech as a result of these worries, and that's further encouraging investors to discount future growth rates.

As advisors, you cannot ignore these canaries in a tech coal mine (and even if you could, your clients wouldn't let you).

And as you already know, one of the most important aspects of being an advisor is evaluating opportunities for the future rather than staying rooted in the trappings of the past.

As such, there is mounting evidence arguing in favor of a new shift from tech/growth stocks to value stocks that can't be ignored—especially in the context of a muted technology sector outlook.

This makes developing a cogent strategy for a rotation out of growth-heavy tech and other sectors and into more value-centric stocks of supreme importance right now.

Fortunately, this process doesn't have to be difficult. In fact, we have identified two ETFs in the value arena that we think every advisor should have in their back pocket as tools used to reposition overweight tech and growth sector exposure when the time is right.

With so many value ETFs out there, there is a risk for paralysis by choice—and we believe these two Value ETFs offer compelling choices to keep on your radar screen—so you already know where to go when it's time to rotate from growth, into value.

The Value Generalists

Classifying stocks as either growth or value is one of the oldest and most studied fundamental investment principles. And for both growth and value, there is no shortage of ETF choices.

On the value front, there are over 60 exchange-traded funds specifically dedicated to gaining exposure to the value segment of the equity markets.

The largest of these funds include the **iShares Russell 1000 Value ETF (IWD)** and the **Vanguard Value ETF (VTV)**.

Both funds offer exposure to a highly diverse pool of stocks culled from well-known indexes, and that can be owned at extremely low cost (i.e. low expense ratio).

Either of these funds can serve as a sensible core holding within a highly diversified portfolio to provide general market correlation. They do contain some small allocations to "growthy" sectors, **but the bulk of their exposure can be found in the likes of financials, consumer discretionary, health care, energy, and industrials.** This is particularly notable because these are sectors that are generally "under allocated" to be investors following the massive tech underperformance.

If there is a criticism to be made of these ETFs, it's

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that they are possibly too diverse, and constructed using overly simplistic methods.

This may fail to resonate with investors who truly worship at the altar of fundamental analysis or are seeking an alpha-oriented approach.

Value purists may ultimately scoff at the likes of IWD and VTV in favor of deeper analysis and a smaller pool of stocks with the capability to show off what this "value factor" is all about.

Fortunately, there are several ETFs that bring the true spirit of value investing back to its roots.

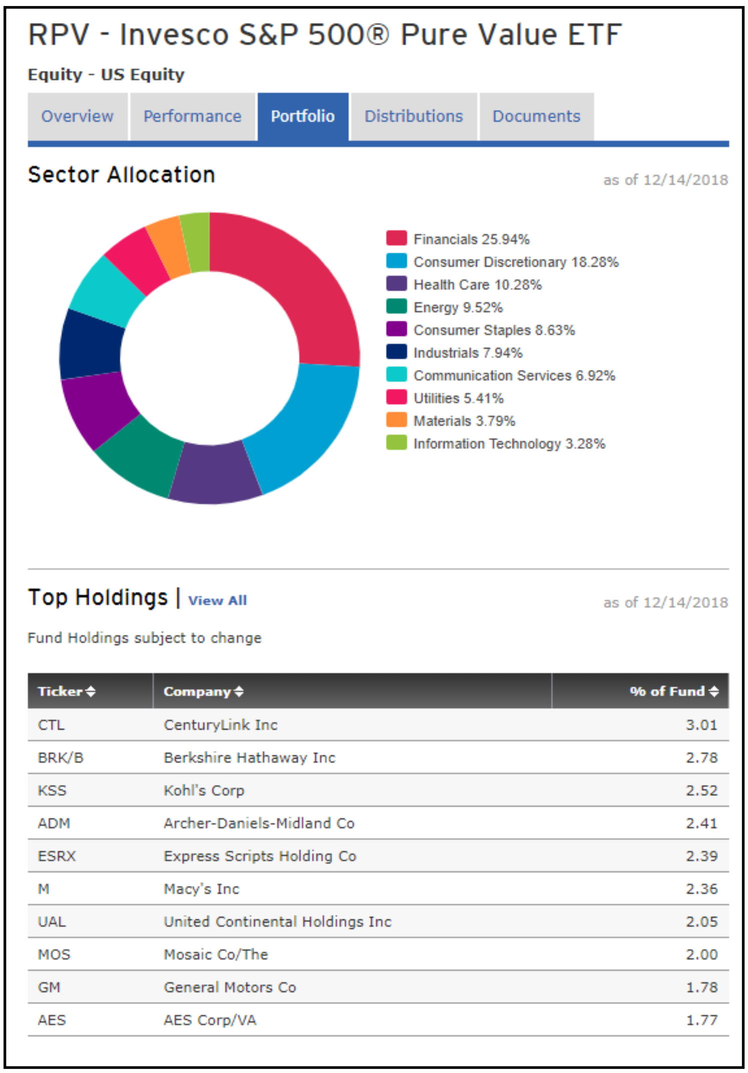
The Value Purists

The first of these funds is the **Invesco S&P 500 Pure Value ETF (RPV)**, which is an index-oriented ETF that owns around 100 value stocks culled from the broader S&P 500 Index.

What makes this fund unique is that it puts a more stringent valuation screen to the benchmark to rule out blended or ambiguous style stocks.

The result is a more concentrated portfolio of "pure" companies with characteristics embodying strong balance sheets and low-priced valuations.

Invesco S&P 500 Pure Value ETF (RPV)	
Inception Date:	03/01/2006
Assets:	$869M
Avg Daily Volume:	95.2k
Expense Ratio:	0.35%
# of Holdings:	109
YTD Return:	-9.49%
3-Yr Return:	26.19%
Mstar Rating:	4 Star



Ticker	Company	% of Fund
CTL	CenturyLink Inc	3.01
BRK/B	Berkshire Hathaway Inc	2.78
KSS	Kohl's Corp	2.52
ADM	Archer-Daniels-Midland Co	2.41
ESRX	Express Scripts Holding Co	2.39
M	Macy's Inc	2.36
UAL	United Continental Holdings Inc	2.05
MOS	Mosaic Co/The	2.00
GM	General Motors Co	1.78
AES	AES Corp/VA	1.77

Another attractive feature of the RPV portfolio is that it weights holdings according to the highest value scores.

This creates a stronger influence of larger and more stable companies such as **Berkshire Hathaway Inc (BRK/B)** and **CenturyLink Inc (CTL)** at the top of the mix.

At current levels, the RPV portfolio sports a blended Price/Earnings ratio of just 13.18 and a Price/Book ratio of 1.48.

Both metrics are significantly lower and ultimately more attractive for long-term investors than what you would find in blended or growth-oriented indexes.

On the performance front, this fund has kept pace with many of the largest value funds in its class over the last three years.

That's about all you can ask during a significant period when your style hasn't appealed to the mainstream bias. Nevertheless, this ETF has significant upside potential if a more pronounced rotation away from technology and growth materializes.

Specifically to that point, one of the reasons we

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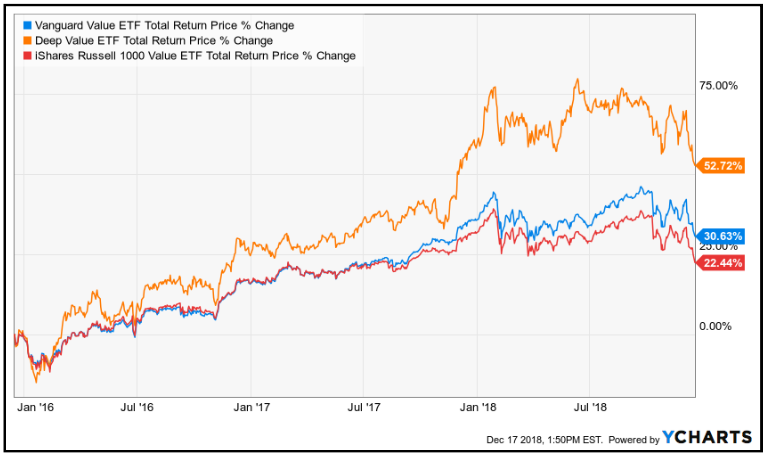
like RPV is because of it's low allocation to the tech sector.

The Information Technology sector makes up just 3.2% of RPV, compared to more than 14.8% of VTV. So, if part of the point of rotating out of growth and into value is to reduce tech exposure, RPV does a better job than VTV.



RPV has been in existence for well over a decade now and has accumulated nearly $900 million in assets.

The fund also charges a very reasonable expense ratio of 0.35%. It may appeal to value enthusiasts as either a core holding or a tactical position to strategically target fundamental criteria.

An Under the Radar Value Fund That Has Significantly Outperformed

Deep Value ETF (DVP)	
Inception Date:	09/22/2014
Assets:	$188.6M
Avg Daily Volume:	24k
Expense Ratio:	0.59%
# of Holdings:	20
YTD Return:	-4.28%
3-Yr Return:	55.05%
Mstar Rating:	5 Star

Another truly innovative fund that has distinguished itself with a unique track record is the **Deep Value ETF (DVP)**.

The genesis behind this ETF is to select just 20 undervalued, dividend-paying stocks within the S&P 500 Index with solid balance sheets, positive earnings and strong free cash flow.

The companies within the index are weighted based on a rules-based assessment of their valuations so that stocks that are most attractively valued receive a higher weight.

The end result is a highly concentrated portfolio of large-cap stocks with a unique active share of the value landscape.

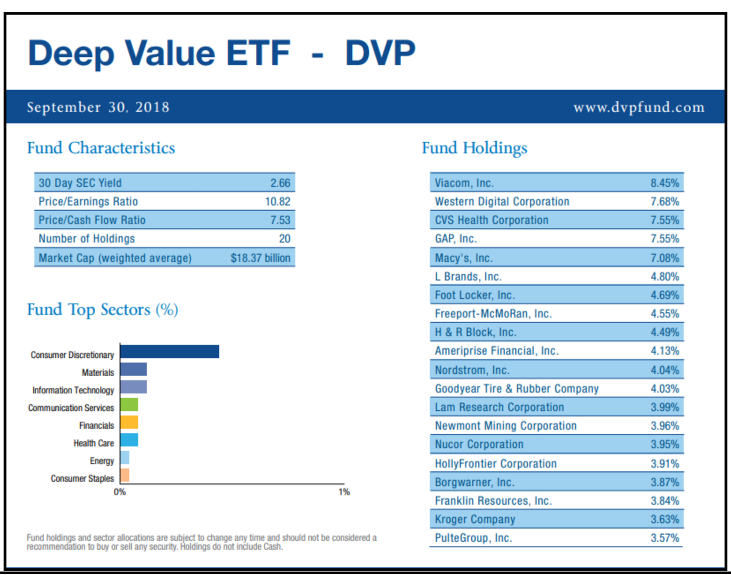
The index that DVP is built upon is reconstituted just once per year with the top 10 holdings remaining static throughout the 12-month period.

The bottom 10 holdings are reconstituted and rebalanced on a quarterly basis to ensure these companies continue to exhibit attractive fundamentals.

The goal of DVP is to capture capital appreciation opportunities by purchasing stocks that are teed up for a rebound.

This is not a well known ETF. The issuer isn't a big firm and this isn't a widely held name, but you can not argue with the results.

Over a three year time period, this ETF has crushed the competition in the value space. It's



Deep Value ETF - DVP

September 30, 2018 www.dvpfund.com

Fund Characteristics

30 Day SEC Yield	2.66
Price/Earnings Ratio	10.82
Price/Cash Flow Ratio	7.53
Number of Holdings	20
Market Cap (weighted average)	$18.37 billion

Fund Top Sectors (%)

Fund Holdings

Viacom, Inc.	8.45%
Western Digital Corporation	7.68%
CVS Health Corporation	7.55%
GAP, Inc.	7.55%
Macy's, Inc.	7.08%
L Brands, Inc.	4.80%
Foot Locker, Inc.	4.69%
Freeport-McMoRan, Inc.	4.55%
H & R Block, Inc.	4.49%
Ameriprise Financial, Inc.	4.13%
Nordstrom, Inc.	4.04%
Goodyear Tire & Rubber Company	4.03%
Lam Research Corporation	3.99%
Newmont Mining Corporation	3.96%
Nucor Corporation	3.95%
HollyFrontier Corporation	3.91%
Borgwarner, Inc.	3.87%
Franklin Resources, Inc.	3.84%
Kroger Company	3.63%
PulteGroup, Inc.	3.57%

Fund holdings and sector allocations are subject to change any time and should not be considered a recommendation to buy or sell any security. Holdings do not include Cash.

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total return over three years is 55.05% compared to 30% for the S&P 500.

And, during this sell off, DVP has fared decently well, declining 11% since September 30, slightly better than the S&P 500 (-11.8%) and in line with other value ETFs.

Again, I appreciate this is an under-the-radar pick and not appropriate for everyone, especially with the concentrated exposure. But, you can't argue with the results and this ETF has a bit of "sizzle" for an otherwise stodgy "value" space.

Its current makeup is heavily skewed towards the consumer discretionary, materials, and communications sectors.

As of 9/30/18, the fund carried a weighted P/E ratio of just 10.82 and charges a net expense ratio of 0.59%.

Because this fund is more concentrated, it's likely to be more suitable as a tactical holding rather than a core value position.

Nevertheless, DVP has shown its bold style works to generate meaningful alpha for those with a risk-seeking mentality or who are looking to replace some individual stocks in their portfolio.

Conclusion

The value ETFs on this list have felt the same downside pressure as the rest of the market over the last two months.

As such, they can be rotated into here at reasonable prices for those who are looking for a sensible rebalancing of their equity portfolios.

And, a gradual shift away from the tech sector towards more under-valued areas may indeed prove to be a prescient opportunity for those seeking fresh investment ideas in the New Year.

Finally, remember that in our daily *Sevens Report*, we'll continue to tell you when the rotation from tech and other sectors and into value sectors is taking place, as we monitor that action each and every trading session.

So, armed with these value ETFs, you can be ready to take action for you and your clients when that action is warranted.

Best,

Tom

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Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Index Rebal **KWEB (KraneShares CSI China Internet ETF)**	*KWEB is an index rebalance play based on major Chinese internet and ecommerce companies (China N-shares) being added to FTSE Emerging Market Indices between Sep 2017 and June 2018. KWEB is our conduit to front-run huge index funds that will be forced to buy its underlying holdings.* ***What to do now: We closed KWEB on June 15th (last leg of rebal). It's still viable as a long-term holding.***	Issue 1: 8/17/17 8/24/17	KWEB: 21.46% (closed)	ACWX: 6.93% (through KWEB close date)
Smart Beta Pioneer **RSP (Invesco S&P 500 Equal Weight ETF)**	*From an index standpoint, S&P 500 Equal Weight has massively outperformed S&P 500 (cap weight) over the long term (392% vs. 158% over the last 18 years). RSP has lagged recently due to tech sector outperformance. That presents a short-term dislocation and opportunity to buy RSP at a discount to SPY.* ***What to do now: Buy.***	Issue 2: 9/7/17	RSP: 2.65%	SPY: 5.95%
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.***	Issue 3: 9/21/17	SNSR: -12.0% ROBO: -13.8% AMBA: -19.0% QCOM: 23.20% (closed)	SPY: 4.36% 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 U.S. auto companies planning massive roll outs and several countries putting end dates on the internal combustion engine.* *From an investment angle, 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: Long-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 sold off since. The growth opportunity is years, if not decades, ahead.***	Issue 3: 9/21/17	LIT: -21.9% ALB: -39.3%	SPY: 4.36%
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: 1.53% REGL: 2.51% SMDV: -0.60%	AGG: -0.49% MDY: -5.11% IWM: -7.09%
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: 1.10% MNA: 2.63%	AGG: —0.69%

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Sevens Report Alpha Fund & Stock Ideas

Fund/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. Investors can't see the true yields on these stocks because they're missing from financial websites. Our elite list has yields ranging 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.): 7.37%	50% SPY/50% AGG: 3.77%
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: -7.23%	SPY: 1.01%
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 the cheapest countries and the cheapest stocks in those specific countries, too.* ***What to do now: Buy.***	Issue 9: 12/12/17	GVAL: -10.4%	ACWX: -11.8%
"Backdoor" Hedge Fund Investing 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 ace 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.): -5.09%	50% SPY/50% AGG: 1.30%
EM & FM Bonds EMB (iShares JPM USD Emerging Markets Bond ETF) EMLC (VanEck JPM EM Local Currency Bond ETF) EBND (SPDR Bloomberg Barclays Emerging Markets Local Bond ETF) AGEYX (American Beacon Global Evolution Frontier Markets Income Fund)	*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: -5.88% EMLC: -10.30% EBND: -8.82% AGEYX: -3.65%	AGG: -0.23%
"Blockchain" Investing BLOK (Amplify Transformational Data Sharing ETF) BLCN (Reality Shares Nasdaq NexGen Economy ETF)	*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 a blockchain primer.* ***What to do now: Buy (multiple ways to implement in issue).***	Issue 12: 1/16/18	BLOK: -24.60% BLCN: -17.60%	SPY: -7.37%
"Active" Bond ETFs BOND (PIMCO Active Bond ETF) TOTL (SPDR DoubleLine Total Return Tactical ETF) FTSL (First Trust Senior Loan Fund)	*Studies show actively-managed fixed income funds have been much more successful at beating benchmarks than actively-managed equity funds.* *In addition, the "Agg" has changed for the worse over time: higher duration, lower yield, and less diversification. These three active bond ETFs—with better statistics and all-star portfolio management teams—stand a good chance at beating the Agg going forward.* ***What to do now: Buy.***	Issue 14: 2/20/18	BOND: 1.26% TOTL: 1.42% FTSL: -0.52%	AGG: 1.43%

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Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Cash Alpha **FPNIX (FPA New Income)**	*FPNIX has generated positive returns for 33 straight years. No other non-government bond fund can boast of an equivalent track record. We also featured "MaxMyInterest," which produces 140 to 150 basis points of alpha versus traditional cash vehicles (MMAs, MMFs, and CDs). Max also increases FDIC insurance and can give advisors visibility to held-away cash.* ***What to do now: Buy (Max is also an excellent cash management solution).***	**Issue 15:** **3/6/18**	**FPNIX:** **1.71%**	**BIL:** **1.41%**
Index Rebal **KBA (KraneShares Bosera MSCI China A Share ETF)**	*KBA is an index rebalance play based on the inclusion of Mainland Chinese equities (A-shares) into MSCI Global Standard Indexes. The first two steps will take place on June 1st and September 1st. KBA is our gateway to front-run massive index funds that will be forced to buy its underlying holdings.* ***What to do now: Buy.***	**Issue 16:** **3/20/18**	**KBA:** **-27.40%**	**ACWX:** **-13.90%**
Anti-Trade War **QABA (First Trust Nasdaq ABA Community Bank Index Fund)**	*QABA is a play to protect against trade war ramifications (97% of its sales are U.S.-sourced). Additionally, it should also be a beneficiary of U.S. tax reform, in that, smaller U.S. companies should capture most of the 35% to 21% corporate tax cut. We also featured three more ETFs (AMCA, AIRR, KRE) and two exclusive stock screens—run through Cap IQ—for advisors to share with clients who have trade war concerns.* ***What to do now: Buy.***	**Issue 18:** **4/17/18**	**QABA:** **-16.10%**	**SPY:** **4.49%**
Foreign Small Caps **VSS (Vanguard FTSE All-World ex-US Small -Cap ETF)** **DLS (WisdomTree International Small-Cap Dividend Fund)**	*Most advisors don't allocate to international small caps. But, we think they should reconsider. This hidden asset class holds several advantages over its U.S. equivalents: cheaper valuations, less volatility, lower correlations, higher dividend yields, and past outperformance. We highlight multiple individual ETFs, ETF combinations, and actively-managed mutual funds that do the trick.* ***What to do now: Buy.***	**Issue 19:** **5/1/18**	**VSS:** **-18.60%** **DLS:** **-18.10%**	**EFA:** **-13.20%**
Disruptive Innovation **ARKK (ARK Innovation ETF)**	*Investing in the "cornerstone themes of disruptive innovation" has resulted in huge profits over time (think Amazon, Apple, and Netflix). ARK sees current investment opportunities in innovation platforms, such as automation, energy storage, DNA sequencing, next generation internet, blockchain technology, etc. ARK's top innovation-based themes are all represented in ARKK. In 2017, ARKK was the #1 performing ETF (excluding leveraged and inverse ETFs) with a return of 87%!* ***What to do now: Buy.***	**Issue 20:** **5/15/18**	**ARKK:** **-6.72%**	**SPY:** **-4.77%**
Buybacks **PKW (Invesco BuyBack Achievers ETF)**	*Companies with meaningful share count reduction have outperformed over the long term with lower volatility. Currently, U.S. companies are flush with cash due to tax cuts and repatriation. In turn, share repurchases broke a new record in Q1 2018 and they're on pace to set a new record for 2018. PKW is the premier ETF to profit from buybacks (largest asset base and longest history). We also featured four alternative ETFs (SPYB, TTFS, DIVB, SYLD) and some individual stock lists.* ***What to do now: Buy.***	**Issue 21:** **5/29/18**	**PKW:** **-4.24%**	**SPY:** **-4.04%**
"FANG and Friends" of Emerging Markets **EMQQ (Emerging Markets Internet & Ecommerce ETF)**	*"By 2025, annual consumption in emerging markets will reach $30 trillion—the biggest growth opportunity in the history of capitalism."—McKinsey & Company. The combination of four major forces in emerging markets make this a great investment setup: favorable demographics, increasing smartphone availability, surging wireless broadband and Wifi access, and the globalization of the capital formation process. EMQQ is the best ETF to invest in this great confluence. We also featured three alternative ETFs (ECON, KWEB, KEMQ).* ***What to do now: Buy.***	**Issue 23:** **6/26/18**	**EMQQ:** **-24.80%**	**EEM:** **-8.60%**

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Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Micro Caps IWC (I-Shares Micro-Cap ETF)	*Small caps outperformed until this most recent pullback, but while allocations to that sector of the market are rising, micro-caps, a sub-set of small caps, remain generally overlooked.* *Micro caps remain an overlooked, under-researched, and under-allocated part of the small cap universe that can offer diversification and outperformance (micro caps are perennial takeover candidates).*	7/10/18	IWC: -22.10%	IWM: -18.10%
The Future of Consumer Spending IBUY (Amplify Online Retail ETF) FINX (Global X FinTech ETF) IPAY (ETFMG Prime Mobile Payments ETF)	*The way U.S. consumers purchase goods is changing—rapidly. And, getting "pure play" exposure to the rise to online retailers and to the growth of mobile payments could be similar to investing in credit cards back in the mid-80's. There are few other established corners of the market that offer this type of growth potential.*	7/24/18	IBUY: -22.20% FINX: -19.20% IPAY: -13.20%	SPY: -8.74%
Floating Rate Funds FLOT (I-Shares Floating Rate Bond ETF USFR (Wisdom Tree Floating Rate Treasury Fund) SRLN (SPDR Blackstone / GSO Senior Loan ETF EFR (Eaton Vance Floating Rate Trust)	*Despite stubbornly high bonds/low yields, bonds are still now in a longer term bear market, and there exist few non-inverse bond alternatives that can produce absolute gains in a falling bond environment.* *Floating rate ETFs rise as bond yields fall and offer absolute return potential in bond portfolios, and are an important tool in constructing client bond portfolios in a rising rate environment.*	8/6/18	FLOT: 0.00% USFR: 0.72% SRLN: -1.78% EFR: -9.17%	AGG: -0.67%
Content Is King PBS (Invesco Dynamic Media ETF) IEME (Ishares Evolved U.S. Media & Entertainment ETF) XLC (Communications services SPDR) DIS (Disney)	*How generational changes in the cable TV industry are presenting massive long-term growth potential (think NFLX's 4000% return since 2012).* *Industry Primer: How the cable industry is changing from a service-based business, to a content-based business.*	8/20/18	PBS: -7.72% IEME: -8.55% XLC: -12.00% DIS: -0.46%	SPY: -10.00%
Momentum & Value PSCH (PowerShares S&P SmallCap Health Care Portfolio) SBIO (ALPS Medical Breakthroughs ETF) FXG (First Trust Consumer Staples AlphaDex ETF)	*In our first of a recurring series, each quarter we'll profile some of the best ETFs from a momentum and value standpoint.* *Most investors and prospects can be grouped into those two investing styles, and we want to provide consistent, value-add idea generation for each type of investor, so you're always armed with compelling ideas and stories for clients and prospects, regardless of their investment style.*	9/4/18	PSCH: -21.30% SBIO: -22.90% FXG: -6.87%	SPY: -11.30%

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Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Commodities **PDBC (Invesco Optimum Yield Diversified Commodity Strategy No K-1)** **GNR (SPDR S&P Global Natural Resources ETF)** **RLY (SPDR SSGA Multi-Asset Real Return ETF)**	***Commodities have typically outperformed during late expansion and early recession phases of the economic cycle. Many economic indicators imply we are entering (or are already in) the late expansion phase of the economic cycle. As such, commodities have outperformed so far this year, and we expect that to continue.***	9/18/18	PDBC: -12.60% GNR: -13.8% RLY: -9.33%	DBC: -11.90%
Short Duration Bond ETFs **MEAR (IShares Short Maturity Municipal Bond ETF)** **LDUR (PIMCO Enhanced Low Duration Active ETF)** **MINT (PIMCO Enhanced Short Maturity Active ETF)**	***The downtrend in bonds accelerated in September and October of 2018, and it was a reminder that advisors face challenges in the fixed income markets over the coming years.*** ***One of the best ways to protect investors in a bond bear market is by shortening duration of bond holdings, so we presented three short duration bond ETFs that have yields that are close to the 10 year Treasury, but that have much shorter average maturities.***	10/16/18	MEAR: 0.19% LDUR: 0.06% MINT: -0.06%	BIL: 0.35%
Bear Market Strategies **USMV (I-Shares Edge MSCI Minimum Volatility USA ETF)** **DYLS (Wisdom Tree Dynamic Long/Short US Equity ETF)** **PTLC (Pacer Trendpilot US Large Cap ETF)**	***The October 2018 equity market decline sparked fears of an end to the multi-year bull market. So, we wanted to provide some suggestions on practical "bear market" strategies for advisors that wouldn't involve market timing or deviating from keeping clients in the markets over the longer term.***	10/30/18	USMV: -2.51% DYLS: -7.04% PTLC: 0.17%	SH: 4.59%
Special Dividends **List of 19 stocks**	***Screened 17,070 stocks to arrive at 19 stocks that have consistently paid large special dividends. Investors can't see the true yields on these stocks because they're missing from financial websites. Our elite list has yields ranging from 50% to 600% higher than the S&P 500's yield.*** ***What to do now: Buy (multiple ways to implement in issue).***	11/6/18		
Momentum & Value 4th Quarter Edition **WTMF (Wisdom Tree Managed Futures ETF)** **MLPA (Global X MLP ETF)** **DCP (DCP Midstream LP)** **SHLX (Shell Midstream Partners LP)**	***In our Q4 installment of our Momentum and Value series we focused on strategies for the volatile and difficult market.*** ***Our momentum strategies were focused on non-correlated ETFs to provide diversification.*** ***Our value strategy focused on the MLP space, which had compelling yields in an environment where the oil price should stabilize.***	12/4/18	WTMF: 0.35% MLPA: -4.09% DCP: -7.88% SHLX: -1.39%	SPY: -5.32% AMLP: -2.30%

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