SEVENS REPORT *alpha*

September 24, 2019

In Today's Issue

- **The Reflation Issue.** This is the final piece of our four-part series on the longer-term outcome for this market: Japanization or Reflation?
- **Reflation Indicators:** We list the macro indicators that will tell us when an economic reflation is taking hold.
- **Reflation Strategy 1: A better tech ETF.** Tech was the best performing sector during the 2016-2018 reflation, and this ETF outperformed XLK 91% to 75% since 2016.
- **Reflation Strategy 2: Momentum Factor.** The momentum factor outperforms in upward trending markets. We list our top pick.
- **Reflation Strategy 3: The Consumer.** Reflations are positive for consumer spending. We revisit three online payment focused ETFs (one of which has doubled the performance of SPY).
- **Reflation Strategy 4: Emerging Markets.** It's a contrarian idea given U.S.-China trade, but emerging markets trade inverse to the dollar, and the dollar drops during reflations.
- **Reflation Strategy 5**: **Floating Rate Funds.** Rates rise during reflations. The 10-year yield rose from 1.6% to 3.2% during the last economic reflation, and bond funds suffered accordingly.

How To Ride The Reflation Wave

In my August 22 webinar, "A Fork In the Road for Markets," I detailed two realistic, yet extremely divergent, scenarios likely to take hold over the next 12 months.

The first being the downward pull of deflationary forces that morphs into the "Japanification" of U.S. markets. This is the rate cutting, endless government stimulus, no-growth situation that no one wants to see occur. We went into specifics on how to position client portfolios to combat this environment in our last *Sevens Report Alpha* issue on September 10**:** The link to that issue is here.

If you're like me, an avid consumer of financial media via internet, TV, and radio, it's likely that this Japanification thesis and pessimistic outlook is gaining further traction in your mind. Worse still are the clients who are probably starting to provoke conversations with these same worries.

Cryptic economic data, Fed cutting rates for the first time in a decade, a looming presidential election, yield curve divinations. It all adds up to a murky combination of signals that is hard to view with an optimistic mindset.

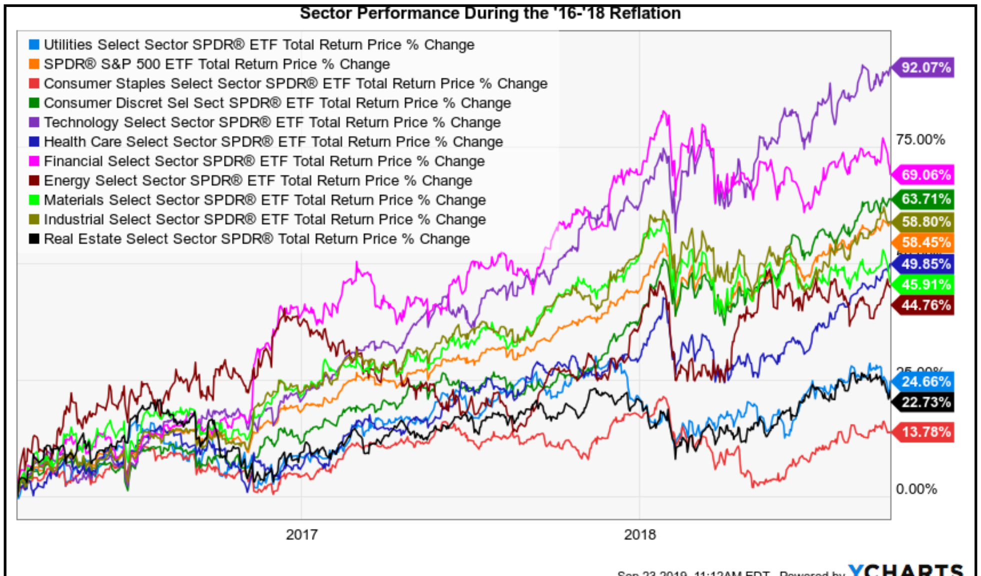
Jeffrey Gundlach of DoubleLine Capital recently said he believes there is a 75% chance of a global recession and warned of looming trouble in the corporate bond market (source). Additionally, President Trump has been railing on Fed Chair Jerome Powell to aggressively cut U.S. short-term rates. The argument being that the U.S. can't compete against foreign nations currently experiencing negative rates to try to stimulate growth.

I would even go so far as to say that inflation, or "reflation," of the global economy is now the contrarian opinion.

Virtually no one is calling for Dow 35,000, which would be a 30% jump from these levels. It sounds like a stretch given the headwinds at this juncture,

but remember the market climbed a similar wall of worry in 2016.

The number one factor that ignited coordinated global growth that year was the Fed putting rate hikes on hold in favor of a dovish stance. This ultimately hit the U.S. dollar hard, while stocks and commodities rallied in kind.



Market history doesn't repeat, but it does rhyme, and seeing which sectors outperformed during the last economic reflation serves as a useful guide when

The Fed's current positioning on the interest rate spectrum is far different now than it was in 2016. The central bank has more room to maneuver with the capability to aggressively cut from the current sub-2% level. The real question is how will such a strategy impact the U.S. dollar and ultimately risk assets?

Indicators of an Economic Reflation

If there's one singular indicator that will tell us when an economic reflation is taking hold, it's the U.S. dollar. Although not official market history, it is widely believed in early 2016 the heads of the major global central banks agreed to a policy plan known as the "Shanghai Accord." In that accord, the Fed turned its policy outlook dovish and engineered a decline in the dollar, which eased the pressure off of China and the emerging economies. Combined with stimulus from China and other countries, that ignited a global economic reflation that lasted until the fourth quarter of 2018, and produced nearly 50% gains in the S&P 500.

So, based in part on that history, the direction of the U.S. dollar is going to be the number one factor to watch when evaluating whether the Fed's actions are going to actually stimulate an inflationary scenario.

Put more directly, here's the general "script" for an economic reflation:

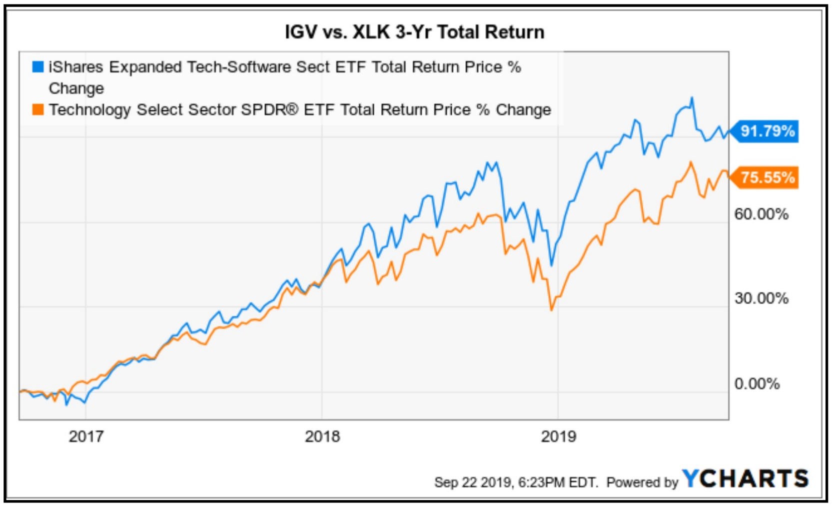
1. First, the Fed cuts rates and gets materially dovish (this is kind of happening now).
2. The dollar drops and the U.S. markets respond with stocks rising and long-term Treasury yields rising.
3. Foreign markets (especially German bunds) similarly see a reversal and rally in their bond yields and they rise quicker than the U.S. yields.
4. Finally, This reaction pushes the dollar lower and creates a platform for continued inflationary trends.

That scenario would be a best-case environment to new highs in stocks and possibly even a great rotation out of growth and into value.

September has been a microcosm of this rotation with tech companies stalling in favor of financial, energy, and industrial sector momentum. We have also experienced a sharp reversal of the overcrowded bond trade that was to be expected at some point from an overabundance of positive sentiment.

There are several ways to take advantage of this trade and prosper under a reflationary scenario, many of which we have offered up in previous issues of *Sevens Report Alpha*.

So, our strategic focus will be to refresh and reinforce how these investments are primed for success given the aforementioned macro environment.



Idea 1) Technology Stocks

No reflation wave story would be complete without astutely observing the top-performing area of the market over the last three years.

You would have to really be out of touch not to recognize how technology stocks have dominated through the teeth of this bull market. It's likely that this theme would continue to have additional legs should the market climb this wall of worry to even loftier heights.

There are a number of ways to play the tech sector and it's likely that you have owned a tech fund such as QQQ or XLK at some point in your career. While these ETFs are robust index funds with deep liquidity and low fees, they are also mundane to a fault, which is not what we aim to deliver in this service.

On the other end of the spectrum are active funds such as the ARK Innovation ETF (ARKK), which may be overly niche or too concentrated for many advisors to take a chance on.

One sector fund that you may find more attractive in this environment is the **iShares Expanded Tech-Software Sector ETF (IGV)**.

This ETF perfectly rides the line between a traditional index fund with reasonable fees and a diverse portfolio without trying to be excessively unconventional.

The basis behind IGV is access to North American tech companies that are primarily engaged in the proliferation of software and internet-accessible services. Its basket of 93 stocks is packed with winners such as Salesforce.com (CRM), Microsoft (MSFT), and Adobe, Inc (ADBE) in a market-cap weighted allocation mix. IGV charges an expense ratio of 0.46% and has nearly $2.7 billion in assets under management.

Those assets have stuck around largely because the performance has been so impressive. Over the past three years, IGV has outperformed XLK by a margin of 16.2%. That gap widens to an even cushier 35.2% performance differential over the last five years.

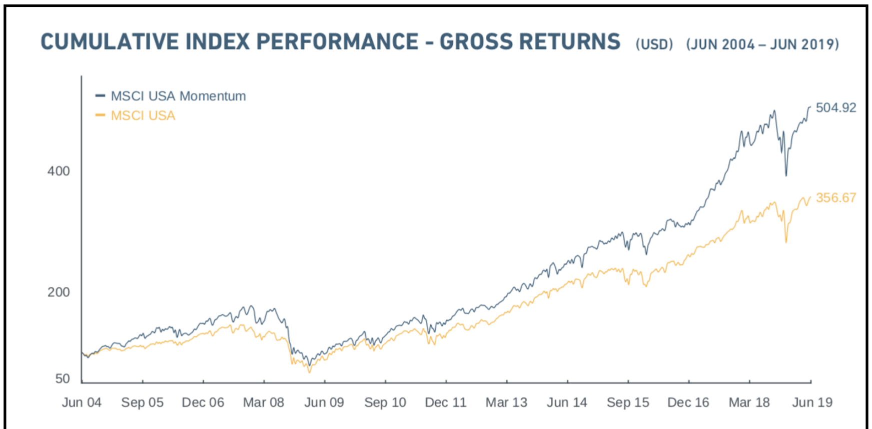
What makes this ETF unique is that it eschews many of the hardware, social media, and esoteric technology companies that make up traditional funds in this sector.

As such, it's a perfect way to compliment or even replace existing tech exposure with a new dynamic to generate proven alpha. IGV can help broaden the diversification qualities of your existing portfolio and insert the right stocks at the right time.

Idea 2) The Momentum Factor

Cyclical investing is all about riding the stocks with the strongest tendencies for alpha given the macro factors at play. And what better way to do so than by direct implementation through the momentum factor that I introduced in July?

If you recall, the largest and most well-known fund in the momentum category is the **iShares Edge MSCI USA Momentum Factor ETF (MTUM)**.



Source: MSCI USA Momentum Index fact sheet

Its $10.5 billion in assets dwarfs the competition and it has more than six years of trading history under its belt. Total holdings within the MTUM portfolio include 125 large and mid-cap stocks culled from the MSCI USA Index. The momentum score for these stocks are determined by six- and 12 -month periods for each stock in the original parent index to create a combined ranking.

The stocks with the highest scores are then selected to be included in the momentum portfolio. The weighting of stocks within the momentum portfolio is a combination of market capitalization and the momentum score with a cap of any one company at 5% of the total portfolio. The index is also rebalanced semi-annually, with ad hoc rebalancing during spikes in market volatility.

The current sector behemoths include technology (39%), health care (12.50%), and industrials (10.50%). It's clear that an ETF such as MTUM has no problem with concentrating a great deal of the portfolio in specific sectors if that's where the hot stocks are located. The top individual holdings currently include Proctor & Gamble (PG), Visa Inc (V), and Mastercard Inc (MA), with 5% max allocations to each company.

Utilizing a fund such as MTUM should be quite easy as a way to replace existing smart-beta exposure that may be failing to live up to your expectations. It may also make sense to implement this fund as a replacement for traditional growth funds such as the Invesco QQQ Trust (QQQ) or the iShares Russell 1000 Growth ETF (IWF).

More aggressive clients or portfolio types may appreciate the capability of MTUM to quasi-actively search out the top performing areas of the market and allocate it to them efficiently. MTUM will see its underlying holdings and allocation sizes shift with new trends as they develop and ride them relentlessly. That differs from the traditional index funds that are beholden to a rigid group of stocks with little flexibility in their makeup.

A similarly effective solution at a different fund company is the **Invesco S&P 500 Momentum ETF (SPMO)**.

This fund selects 100 stocks from within the broader S&P 500 Index that has the highest momentum scores. The scores are calculated by evaluating the percentage change over the last 12-months and applying an adjustment based on volatility over that period.

Similar to MTUM, it weights the components according to a combination of their momentum score and market capitalization. Holdings are reconstituted on a semi-annual basis as well.

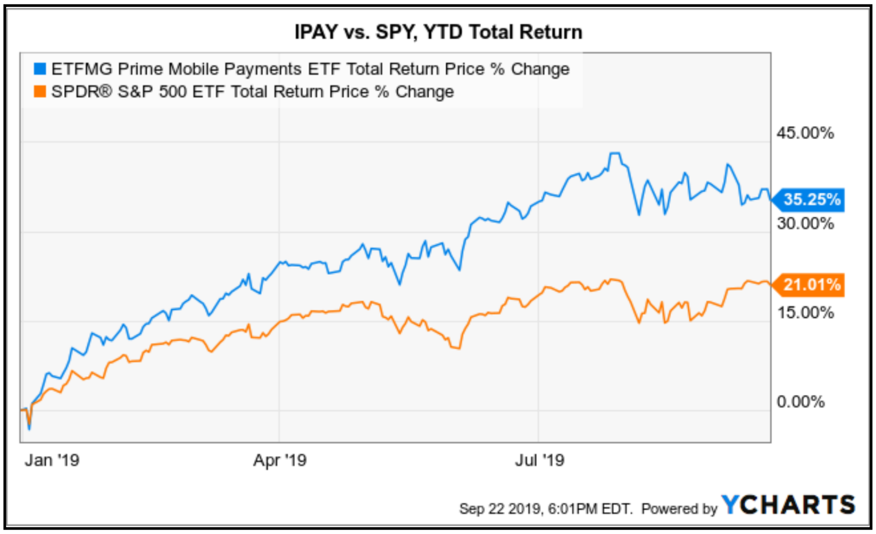
The end result is a diversified portfolio of large-cap U.S. stocks that have exhibited strong relative returns and offer high future return potential. Top holdings currently include Amazon.com (AMZN), Merck & co (MRK), and Proctor & Gamble (PG). It also charges a minuscule 0.13% expense ratio that is quite palatable for long-term shareholders.

To access our Momentum Factor Issue, Click Here.

Idea 3) The Consumer

One caveat to the reflation trade is that the consumer and economic activity, in general, MUST remain on solid footing. That means focusing on growth industries tied to consumer spending is the way to outperform in this environment.

As we detailed back in July 2018, the path to success in retail/consumer spending space is all about online spending. Through Q1, 2019, online retail now accounts for 10.2% of all retail sales and has been growing at a 19% compounded annual growth rate since 1999. It's now estimated that online retail sales will exceed $4.5 trillion globally by the year 2021, and there is one fund in particular that we love that lets us tap into this opportunity.



A little over a year ago, we identified three online retail focused ETFs that are positively exposed to the growth in online payments and the "cashless" society.

The best performing of those recommendations was The **ETFMG Mobile Payments ETF (IPAY)**, which has returned more than 15% since July 2018, nearly doubling the return of the S&P 500 (up 8%).

IPAY was designed to capture the next generation of financial stocks that are centered around the digital payment ecosphere.

The fund recently celebrated its four-year anniversary, and over the past year, it has nearly doubled its assets to $730 million distributed among 40 stocks. Its top holdings include payment processing and financial technology firms such as FIS, MA, V, AXP, SQ, PYPL, and more. As we become less dependent on physical currency, these companies continue to grow in influence, revenue, and profitability.

The performance of this fund continues to demonstrate dominant characteristics which is why its asset growth has been so phenomenal. IPAY has gained 35.25% on a year-to-date basis and has demonstrated a more consistent, lower volatility uptrend than its peers. It has returned just under 6% since our recommendation.

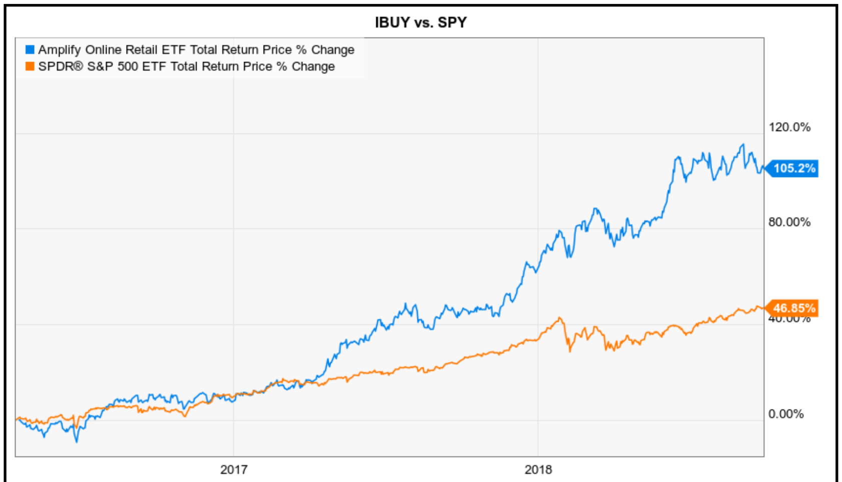
Additional IPAY statistics include a 74% allocation to U.S. stocks with 26% spread among foreign entities. Furthermore, the fund charges an expense ratio of 0.75%, which has proven to be well worth the cost of ownership considering the phenomenal performance since we initially detailed this opportunity last year.

The next recommendation was the **Global X Fintech ETF (FINX)**. FINX seeks to invest in companies on the leading edge of the emerging financial technology sector, which encompasses a range of innovations helping to transform established industries such as insurance, investing, fundraising, and thirdparty lending through unique mobile and digital solutions.

The fund launched in late 2016 and has managed to accumulate over $400 million in assets. FINX is market-cap weighted with a global emphasis that places 29% of the portfolio outside the United States.

Top holdings include well-known payment processing names such as Square Inc (SQ) and PayPal Holdings (PYPL).

FINX has gained just under 6% since our recommendation and nearly doubled the performance of the S&P 500 (up 8%). It charges an expense ratio of 0.68% to implement this strategy.



During the last reflation, IBUY handily outperformed the S&P 500.

The key differentiator between FINX and the other online retail ETFs is that FINX is more focused on the pure technology of online payments rather than focusing on retailers who generate money from online buying. So, FINX is almost a play on the "infrastructure" of online payments and the cashless society.

Finally, the **Amplify Online Retail ETF (IBUY)** celebrated its third birthday this year and has rapidly become the go-to spot for investors that want to play the online retail trend.

The real strength of this ETF is its underlying portfolio, which contains a modified equal-weighted mix of 39 holdings that are rebalanced on a semi-annual basis. The standouts in this group include growth leaders such as Netflix Inc (NFLX), PayPal (PYPL), Amazon (AMZN), Trip Advisor (TRIP) and more. To be eligible for inclusion in the IBUY portfolio, a publicly-traded company must derive more than 70% of its revenue from online retail sales.

It's interesting to note that the market cap makeup of this fund is fairly diversified. Some 45% of the holdings are categorized as large-cap, 35% as mid-cap, and 19% as small-cap. In addition, roughly 76% of the holdings are domiciled in the U.S. with the remaining 24% spread overseas, according to the most recent fact sheet. Furthermore, IBUY charges a net expense ratio of 0.65% to screen retail stocks and implement this strategy.

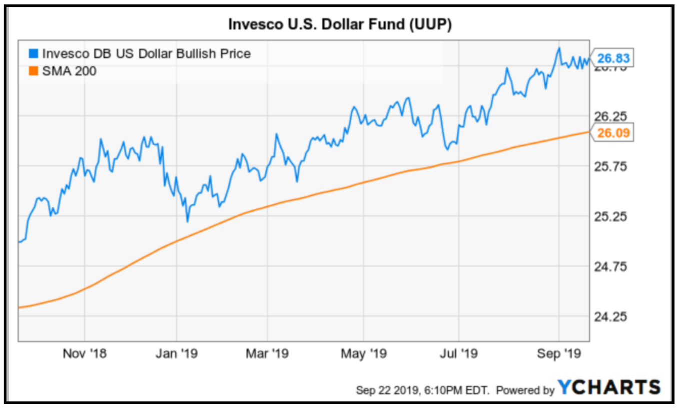
IBUY has much more "retail" sector exposure than FINX or IPAY, and as a result, it has underperformed since July, falling 7% thanks to trade war worries. But, if we see a reflection, I'd expect IBUY to make up the performance gap in a big way. During the last "reflation" from 2016 through Q3 2018, IBUY returned 105%!

To access our Future of Consumer Spending Issue, Click Here.

Idea 4) Emerging Markets

At the start of 2019, we detailed a number of contrarian opportunities with value potential relative to traditional benchmarks. One such area was the ongoing struggle in emerging market stocks and their relative discount to the U.S. market.

This theme has yet to develop as a meaningful driver of alpha since our initial analysis. It can be argued that the upward trend of the U.S. dollar alone has been a significant headwind that has kept emerging markets from achieving their true poten-



tial. A reversal of the global currency markets would signal a massive shift to favor this regional demographic. Thus, the reflation scenario of a falling U.S. dollar, booming commodity prices, and a red-hot stock market would be just the type of environment that would kick emerging market stocks into high gear.

Our preferred vehicle to play this trend is the **iShares Core MSCI Emerging Markets ETF (IEMG)**.

It's as inexpensive as the more ubiquitous Vanguard FTSE Emerging Markets Index Fund ETF Shares (VWO), with an all-in management fee of just 0.14% and a much broader portfolio of 2300 stocks.

What this means is that you get exposure to more than just the large-cap universe that dominates traditional asset allocation methodologies. The small- and mid-cap mix that makes up a fair portion of IEMG can provide a meaningful boost to your performance if emerging markets take off next year. Additionally, the fund is now one of the largest ETFs in the EM sphere with more than $55 billion in total assets.

One exciting aspect of IEMG from a fundamental aspect is the combined price/earnings ratio of this fund stands at a healthy 12.28. That's a far sight lower than that of the broad U.S. benchmarks and represents a much more attractive valuation opportunity on the global stage.

Those who may be excited about the emerging market theme, but just don't have the stomach for the volatility, should consider owning the **iShares Edge MSCI Min Vol Emerging Markets ETF (EEMV)**.

Like all minimum-volatility funds, it's designed to select a smaller group of stocks from within the EM universe that have demonstrated characteristics of muted price action. Think smaller peaks and valleys, which equates to a much smoother path of returns.

If you have been holding off on adding to your emerging market or foreign stock exposure, keep a close eye on the trend of the U.S. dollar.

A break below the 200-day moving average of the benchmark currency would signal a new downtrend has developed and may serve as a solid focal point to shift your international stock allocations. Emphasizing countries with exposure to commodity price inflation and that are sensitive to dollar depreciation is a winning combination in our playbook.

To access our Contrarian Ideas to Start 2019 Issue, Click Here.

Idea 5) Floating Rate Notes

Any scenario that involves continued strength in the stock and commodity markets means that money is going to be flowing out of bonds. That translates to higher Treasury yields on the intermediate and long end of the curve, and likely greater risk-appetite throughout the credit spectrum.

Thus, knowing how to position a portion of your bond sleeve to ride out this storm will be an important aspect of total portfolio returns. One sector that is likely to experience above-average returns are floating-rate notes and bank loans.

The largest ETF in this class is the **iShares Floating Rate Bond ETF (FLOT)**, which has over $10 billion in AUM. It carries exposure to 680 floating rate securities of investment-grade companies.

Top holdings include the debt of well-known companies such as Goldman Sachs, Wells Fargo, Morgan Stanley, and Apple. More than 50% of the portfolio exposure in FLOT is dedicated to financial companies, which is the largest sector in this investment-grade market.

As is to be expected from a BlackRock product, FLOT charges a minuscule expense ratio of 0.20% and typically trades more than 1 million shares per day on average. The effective duration of this fund is just 0.15 years, and its 30-day SEC yield is 2.55%.

One of the advantages of these floating rate securities is that coupon floors exist, so as rates fall, investors still receive a respectable income stream. However, as interest rates rise, the commensurate coupon rate also can rise, which can increase the mark-to-market value of the security. The effective duration is usually tied to the security's reset rate, which is typically no longer than 60-90 days.

It's important to remember that investors in investment-grade floating-rate notes will be sacrificing yield for safety. They are willing to take a reduced income stream in favor of higher credit quality and lower overall volatility.

Another viable option with enhanced yield characteristics is the **Invesco Senior Loan ETF (BKLN)**.

BKLN is a $4.8 billion juggernaut comprised of nearly 120 senior loans or bank loans of below investment-grade corporations. Think companies such as Charter Communications, Burger King, CenturyLink, and Dell International. Most of the credit exposure in BKLN is in the BBB to B-rating categories based on the Standard & Poor's scale.

This index fund has been in existence since 2011 and charges an expense ratio of 0.65% annually. BKLN has a weighted average maturity of 5.01 years with an average day to reset of 25.54. The combination of lower credit quality and longer duration coalesce to generate an SEC yield of 4.72% at current prices with income paid monthly to shareholders.

This type of fund should be more aptly classified in the short-term, high-yield category when comparing against various bond market alternatives. It has meaningfully greater credit risk than investment-grade securities with significantly less interest rate risk than traditional fixed-coupon bonds.

Both of these floating rate funds can be used as tactical allocations (< 15% total portfolio size) within a diversified bond sleeve to help mitigate the effects of rising interest rates and bolster monthly income.

While both carry some level of credit risk and are susceptible to corrections in the stock market, their inherent attributes carry significant advantages in a globally stimulated market.

To access our Floating Rate Notes Issue, [Click Here].

Conclusion

Respecting both of the possible outcomes we've outlined over the last two *Sevens Report Alpha* issues is key to understanding what type of game plan to implement, and when to deploy the correct asset mix to maximum effect.

Our key to this reflation wave environment is a weakening dollar, as it is the lynchpin to the entire trade. A weaker dollar will set off a series of events likely to benefit the aforementioned investments in this issue—and if it plays out that way, ultimately your client portfolios.

Best,

Tom

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: 20.67%	SPY: 26.58%
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: 11.39% ROBO: 1.04% AMBA: 41.09% QCOM: 23.20% (closed)	SPY: 24.68% SPY: 19.93% (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: -29.83% ALB: -47.83%	SPY: 24.68%
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: 3.22% REGL: 14.82% SMDV: 8.78%	AGG: 8.56% MDY: 10.31% IWM: 5.92%
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: 3.94% MNA: 4.51%	AGG: 8.35%

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:** **5.83%**	**SPY:** **20.59%**
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:** **-3.97%**	**ACWX:** **-1.21%**
"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:** **7.20%** **EMLC:** **-3.69%** **EBND:** **-1.64%** **AGEYX:** **5.24%**	**AGG:** **8.85%**
"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:** **-8.53%** **BLCN:** **-1.48%**	**SPY:** **11.65%**
"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:** **10.50%** **TOTL:** **8.88%** **FTSL:** **5.78%**	**AGG:** **10.66%**

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:** **5.30%**	**BIL:** **3.14%**
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:** **-11.79%**	**ACWX:** **-3.56%**
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:** **-6.56%**	**SPY:** **13.99%**
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:** **-9.70%** **DLS:** **-11.09%**	**EFA:** **-2.31%**
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:** **4.45%**	**SPY:** **13.60%**
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:** **13.59%**	**SPY:** **14.48%**
"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:** **-11.41%**	**EEM:** **-1.32%**

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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: -17.80%	IWM: -8.89%
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: -7.77% FINX: 5.31% IPAY: 15.78%	SPY: 8.85%
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: 3.18% USFR: 2.22% SRLN: 4.52% EFR: -0.60%	AGG: 9.83%
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: 1.25% IEME: 4.01% XLC: 5.04% DIS: 21.01%	SPY: 7.30%
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: -18.99% SBIO: —5.35% FXG: 2.67%	SPY: 5.77%

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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: --10.21% GNR: —7.45% RLY: —1.86%	DBC: -9.34%
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: 2.73% LDUR: 3.55% MINT: 2.00%	BIL: 2.06%
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: 19.63% DYLS: -12.69% PTLC: 8.88%	SH: -11.20%
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: -0.16% MLPA: 6.86% DCP: -14.04% SHLX: 12.58%	SPY: 12.89% AMLP: 4.69%

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Growth into Value Rotation RPV (Invesco S&P 500 Pure Value ETF) DVP (Deep Value ETF)	*Recognizing the switch in outperformance from value to growth in 2014 was one of the easiest ways to help clients outperform.* *Now, there are signs markets might be switching back, to an era where value outperforms growth. The ETFs included in this report serve as a "one stop shop" to add quality value exposure to client portfolios.*	12/18/18	RPV: 14.23% DVP: 2.25%	VTV: 15.29%
Contrarian Ideas to Start 2019 IEMG/EEMV (Emerging Market ETFs) ITB/VNQ (Homebuilders/Real Estate ETFs) DFE (WisdomTree Europe SmallCap Dividend Fund)	*The start of a new year means new money needs to be put to work, so we wanted to provide some unique and interesting contrarian ideas that can outperform in 2019.*	1/2/19	IEMG/EEMV: 6.86%/4.44% ITB/VNQ: 40.08%/30.47% DFE: 9.85%	SPY: 21.25%
Identifying High Quality Stocks COWZ (Pacer U.S. Cash Cows 100 ETF)	*Free Cash Flow Yield (FCFY) and Return On Equity (ROE) are two factors that produce long term outperformance.* *We complied a list of nearly two dozen large cap stocks that have a FCFY over 8%, along with another list of the top 10% companies with highest Return on Equity. We think the stocks on these lists present opportunities to buy quality names on market dips.* *We also identified an ETF that screens based on FCFY, and it provides outperformance with lower drawdowns.*	1/15/19	COWZ: 7.03%	SPY: 16.54%
Preferred Stock ETFs PGF (Invesco Financial Preferred ETF) VRP (Invesco Variable Rate Preferred ETF) PFXF (VanEck Vectors Preferred Securities ex Financials ETF)	*Preferred stocks have massively outperformed the S&P 500 during the October—December correction and barely lagged bonds. With yields of 5% and higher we think preferred stock ETFs present a unique long term opportunity to generate income and reduce volatility in portfolios, while keeping upside exposure.*	1/29/19	PGF: 8.28% VRP: 10.04% PFXF: 11.88%	PFF: 8.60%
Utilities For Income VPU (Vanguard Utilities ETF) NRG (NRG Energy) CNP (CenterPoint Energy)	*We continued our focus on safety and income as we show why "boring" utilities can offer substantial outperformance in a volatile market.* *Utilities outperformed during the Oct-Dec correction, and owning utilities hasn't meant giving up long term performance as XLU has the same five year total return as the S&P 500.* *If you think the markets will stay volatile, utilities are a good place for capital to weather the storm and keep upside exposure.*	2/12/19	VPU: 16.89% NRG: -7.23% CNP: 1.50%	XLU: 17.48%

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Cybersecurity: Threats & Opportunities HACK (ETFMG Primce Cyber Security ETF) CIBR (First Trust NASDAQ Cybersecurity ETF) FTNT (Fortinet) CYBR (CyberArk)	*Cyber security and privacy on-line are two clearly defined growth areas of tech, as tech adoption progresses towards consumer demanding security and convenience.*	2/26/2019	HACK: -3.20% CIBR: 1.35% FTNT: -8.88% CYBR: -1.19%	QQQ: 10.52%
Cannabis Industry Investment. MJ (ETFMG Alternative Harvest ETF) ACB (Aurora Cannabis) CGC (Canopy Growth Corporation) APHA (Aphria)	*Through March of 2019, the cannabis sector was the best performing sector in the market, as that performance reflected the growing adoption of medical cannabis, as well as the unrivaled growth potential.* *Investors and clients are asking about this industry, so we wanted to present a "Cannabis Primer" along with three different investment strategies to get responsible exposure to this market segment.*	3/12/19	MJ: -35.81% ACB: -36.93% CGC: -44.76% APHA: -36.50%	SPY: 8.56%
Socially Responsible Investing ESGV (Vanguard ESG US Stock ETF)	*Studies and AUM trends have shown that while clients still care about the bottom line (returns) there is growing popularity among investors to not only generate a solid return, but also for their investments to reflect their core beliefs and values.* *So, we've updated our research to focus on a few core ESG areas that have seen AUM explode over the past two years. These stylistic ETFs can not only outperform, but also help strengthen the client/advisor bond, via directing some investments to issues important to your client.*	3/26/19	ESGV: 7.90%	SPY: 7.48%
Hedged Equity ETFs DMRL (DeltaShares S&P 500 Managed Risk ETF) CCOR (Cambria Core Equity ETF) JHEQX (JP Morgan Hedged Equity Fund Class)	*Stocks have started 2019 with a bang, rising sharply in Q1. But, major macro risks remain present and there is undeniable proof the economy is late cycle.* *Hedged equity ETFs can help advisors and investors maintain long exposure while also providing protection from another 2018 style correction.*	4/9/19	DMRL: 2.96% CCOR: 1.76% JHEQX: 4.02%	SPY: 5.16%

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ARK Invest Family of ETFs **ARKW (ARK Next Generation Internet ETF)** **ARKG (ARK Genomic Revolution ETF)** **XITK (SPDR Fact Set Innovative Tech ETF)**	*We are re-introducing the ARK Family of ETFs. Alpha recommendation ARKK is up 26% YTD and it's outperformed the S&P 500 since our recommendation.* *ARK ETFs offer "one-stop shopping" exposure to the disruptive technologies of tomorrow—technologies that can not only produce outsized long-term returns, but that also are compelling stories for clients and prospects.*	4/23/19	ARKW: -8.07% ARKG: -3.86% XITK: -4.21%	QQQ: 0.71%
The Alpha Opportunity in Healthcare **IHI (iShares Medical Device ETF)** **XBI/SBIO/ARKG (The Quality Bio-tech ETFs)** **IHF (iShares U.S. Healthcare Providers ETF)**	*The healthcare sector has badly lagged the S&P 500 thanks to political concerns (Medicare for all). But, future political risks aside, fundamentals for the healthcare industry are compelling.* *We covered this broadly in the Sevens Report two weeks ago, but in today's Alpha issue we wanted to do a "deep dive" into the space and provide a broader healthcare sector primer, as opportunities to invest in healthcare at the relative value to the market don't come along very often.*	5/7/19	IHI: 11.96% XBI: -3.28% IHF: 2.08%	XLV: 3.83%
Minimum Volatility ETFs **USMV (iShares Total Return MSCI USA Minimum Volatility ETF)** **SPLV (S&P 500 Low Volatility Index ETF)** **EEMV (iShares MSCI Minimum Volatility Emerging Markets ETF)** **EFAV (iShares Edge MSCI Minimum Volatility EAFE ETF)**	*Minimum volatility ETFs have proven effective alternatives for core market holdings over both the short and long term, and will help ensure investors don't give back YTD gains in the event of a correction while still maintaining upside exposure.*	5/21/19	USMV: 8.25% SPLV: 7.65% EEMV: 2.97% EFAV: 4.34%	SPY: 5.53%
Ageing of America Primer **WELL (Welltower Inc)** **OHI (Omega Healthcare Investors)** **SCI (Service Corp International)**	*There is a coming massive demographic shift in the U.S. as within the next 20 years one in every five Americans will reach retirement age, and that aging of Americans will have profound impacts on different market sectors.*	6/4/19	WELL: 12.35% OHI: 18.06% SCI: 6.17%	SPY: 7.78%

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Rate Cut Playbook **We wanted to provide both an asset class and stock market sector "playbook" so advisors will know what outperformed, and what underperformed during the last two rate cut cycles.** **The important part of our research is that we let the numbers, not our assumptions, do the talking and the results were surprising!**	***Inside the issue you'll find:*** • ***Return tables that show the performance of the major S&P 500 sectors over the last two rate cut cycles. (Returns 12 months following the first cut, and Returns from the first cut to the last cut).*** • ***Return tables for the major bond market segments over the last two rate cut cycles.*** • ***We identify the sectors and bond segments that lagged in both cutting cycles (again, the results were surprising) and the sectors that outright outperformed and that relatively outperformed.*** • ***Finally, we also identified the sectors and segments that were the biggest "losers" during the last two rate cut cycles.***	**6/18/19**		
How to Responsibly Allocate to Gold **GLD (SPDR Gold Trust)** **SGOL (Aberdeen Standard Physical Gold ETF)** **GDX (VanEck Vectors Gold Miners ETF)** **KL (Kirkland Lake)** **FNV (Franco Nevada Corp)**	***Gold was one of the top performers in our "Rate Cut Playbook" and it recently just hit a six year high.*** ***So, in this issue, we wanted to focus on how advisors can responsibly allocate to gold, because again If this trend continues, gold will continue to outperform the S&P 500, and undoubtedly you will field questions from clients about owning gold.*** ***Beyond servicing clients, from an alpha standpoint, gold trends incredibly well, and if we are at the start of a multi-year uptrend, the returns can be substantial (gold returned more than 800% from 2001-2011 and outperformed stocks during the last two rate cutting cycles).***	**7/2/19**	**GLD:** **7.28%** **SGOL:** **7.85%** **GDX:** **13.11%** **KL:** **14.24%** **FNV:** **12.17%**	
Momentum Factor Investing **MTUM (IShares Edge MSCI USA Momentum Factor ETF)** **SPMO (Invesco S&P 500 Momentum ETF)** **FDMO (Fidelity Momentum Factor ETF)**	***Factor investing has proven to be an effective strategy for medium and long term investors. One of the strategic factors that consistently rises to the upper half of the performance matrix is "momentum" as a driver of outsized returns.*** ***Momentum factor ETFs have provided positive excess returns in seven of the last 11 years.***	**7/16/19**	**MTUM** **-0.07%** **SPMO:** **-1.37%** **FDMO:** **-2.48%**	**SPY:** **-2.83%**

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Profit from the Sharing Economy **MILN (The Global X Funds/Millennials Thematic ETF)** **GIGE (The SoFi Gig Economy ETF)**	*Inspiration for the issue came from this comment, which I believe is a profound statement on the next evolution of the economy.* *"Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world's largest accommodation provider, owns no real estate. Something interesting is happening." Tim Goodwin The Batter Is For The Consumer Interface.* *Each of those companies are part of the new "sharing economy."* *In addition to profiling two ETFs, we also created our own "Watch List" of sharing economy companies that describes 1) What they do and 2) How they make money, so you have a clear view of the entire "Sharing Economy" universe.*	**7/30/19**	**MILN:** **-3.58%** **GIGE:** **-5.92%**	**SPY:** **-0.41%**
The Case for REITS **VNQ (Vanguard Real Estate ETF)** **VNQI (Vanguard Global ex-U.S. Real Estate ETF)** **REZ (iShares Residential Real Estate ETF)** **REM (Ishares Mortgage Real Estate ETF)**	*Over the past month, only one sector SPDR had a positive return,* ***and it was Real Estate (XLRE) as it rose 1.75%.*** *And, that underscores what has been a great year for the sector, as XLRE has gained more than 22% YTD and only trails tech (XLK) on a YTD performance basis.* *This strong performance shouldn't come as a surprise.* *The current environment is very positive for REITs, given we're likely looking at 1) More Fed rate cuts and 2) A potentially slowing economy.* *More directly, with greater than 3% yields, positive correlation to rising inflation, and a very solid historical track record through growth slowdowns (with one glaring exception), REITs remain an attractive destination for capital in the current environment.*	**8/16/19**	**VNQ:** **2.65%** **VNQI:** **2.64%** **REZ:** **1.23%** **REM:** **-1.70%**	**SPY:** **3.67%**
Seizing Opportunity in the Defense Industry **ITA (IShares U.S. Aerospace & Defense ETF)** **PPA (Invesco Aerospace & Defense ETF)** **UFO (The Procure Space ETF)**	*The defense sector has been one of the best performing market sectors for over a decade. Consider:* ***Over the past 10 years the defense stock sector has posted an 18.57% annualized return and a 446% cumulative return.*** *That compares to a 12.96% annualized return for the S&P 500 and a cumulative return of 238%.* *That's significant outperformance that should impress any client.* *But, right now, we think there's even more opportunity in this sector due to the presence of a potentially major growth catalyst—the space industry.*	**8/27/19**	**ITA:** **4.93%** **PPA:** **3.32%** **UFO:** **7.87%**	**SPY:** **4.39%**

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Japanization Playbook **PTCIX (PIMCO Long Term Credit Bond Fund)** **VYM (Vanguard High Dividend Yield ETF)** **PDI (PIMCO Dynamic Income Fund)**	Given the slowing of the global economy, we are now at a fork in the road, where global economic stimulus will either work, like it did in 2016 and spur a big rally, or it will not, like what happened in Japan in the 1990s. We spent an entire *Alpha* issue detailing a what will outperform and underperform in that scenario, so that if it happens, we know what to do.	**9/10/19**	**PTCIX: 1.02%** **VYM: 0.11%** **PDI: 0.38%**	**SPY: 0.89%**