SEVENS REPORT *alpha*

April 21, 2020

In Today's Issue

- **What To Buy, Part 3: Sub-Indices That Should Be Long-Term Beneficiaries from the Coronavirus Experience.**
- Each part of our "What To Buy" series have become more granular. Part 1 focused on broad sectors. Part 2 identified larger industries that should benefit over the longer term from changes in behavior from the coronavirus experience. **Now, Part 3 will go even deeper and rely on our own anecdotal experiences to identify sub-indices that should benefit over the longer term from changes in business behavior in a post-coronavirus world.**
- **Idea 1: Cloud Computing. SKYY (First Trust Cloud Computing ETF).** Many small businesses have been forced to seriously upgrade their online presence, and that's likely to continue after the coronavirus has passed. Cloud computing companies stand to benefit from this increased demand.
- **Idea 2: E-Commerce: SHOP (Shopify) & GDDY (GoDaddy).** Thousands of smaller retailers that rely on local foot traffic have had to quickly pivot to online sales, and SHOP and GDDY should be two long-term beneficiaries of this pivot.
- **Idea 3: Online Payment Processing: IPAY (ETFMG Prime Mobile Payments ETF).** Setting up an online store is one thing, but there has to be a backend payment processor to accept the payment. IPAY gives us a "pure play" on that backend infrastructure that's sure to see increased demand post coronavirus.

Coronavirus Tailwind Trends, Part III

The impact of aggressive government intervention and federal stimulus packages brought on by the coronavirus economic shutdown has led to an impressive rally in the major domestic equity benchmarks.

For example, the S&P 500 Index lost 1200 points from high to low this year, but it has come roaring back to recover more than half of those losses. So, right now this market can be described as one that's "stuck in the middle."

This middle-ground market has many investment pros trying to figure out what comes next. And an admittedly unscientific eyeball survey of analysts parading themselves on CNBC and Fox Business now appears to show a split among those who think the lows are in, and those who are convinced we are due for another wave of high-intensity selling.

Whatever camp you find yourself in, there is likely to be further volatility ahead as COVID-19 headlines continue to be the primary drivers of daily market swings. And, what we don't know yet is how this sudden screeching halt in social activity and consumer behavior will impact earnings on Wall Street bellwethers. Further guidance in the weeks ahead should provide clarity into which businesses are designed to withstand this type of environment, and which are going to find themselves hurting for the foreseeable future.

What my research team and I have focused on over the past couple of weeks is how this black swan event is impacting local businesses and consumers.

I think we are all in agreement that this event is going to usher in a "new normal" in how businesses interact with their customers, direct their capital spending and insulate their revenue streams from future calamity.

Let me give you an example of a business I have personal knowledge of. There is a high-end clothing store my wife and I frequent in our hometown. Their entire business model is built around direct interaction with customers and familiarity of every-

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one that walks through the door. They know your tastes, your size, and your spending history because they have cultivated a sales process built around customization and excellent personal service. During the fall football season, customers will come in and "hang out" in the store and watch the games—it's that kind of a small-town place, and it does very well.

However, they have very little online presence, and they don't do any online sales. They have mostly let their customers run the show on Facebook and Yelp reviews, but the bottom line is that their entire business is local. It's also, however, a costly business to operate in terms of labor, as the store is well-staffed with expert sales associates.

Yet in this social distancing environment, the store's been immediately devastated. Its previously healthy business, through no direct fault of its own, has seen revenue come to an abrupt halt. Well, we know there are millions of other businesses around the country in this same predicament.

My initial analysis of this situation is that when business owners come out on the other side of this environment, they aren't going to make the same mistakes twice. **They are going to push heavily towards an online and e-commerce presence; sales diversification, automation, and the ability to reach customers outside of their local markets. They are going to invest more in cloud-based retail platforms, electronic payment processing, and distributed shipping.**

I also spoke with a friend on the West Coast that operates a major catering company. They did $30 million in sales last year, almost all of it handled by personal interactions between customers and sales representatives. You can't go to their website and order a wedding or a banquet in a tidy shopping cart. However, when the crisis hit, they had to immediately furlough the majority of their full-time staff. **The first order of business to survive thereafter was to build an e-commerce platform for customers to purchase family meals and provisions.**

That move is allowing them to stay afloat during this uncertain period, and to provide an essential service to their community. They also plan on keeping their e-commerce platform as an active part of their business when conditions begin to improve. Why? Because it's cheap to operate, it reduces labor costs, provides daily cash flow, and their efforts spread virally through social media.

The commonality among these stories is that companies that have neglected an online, e-commerce and remote workplace infrastructure are going to quickly recognize the benefits of partnering with best-of-breed online platforms and marketplaces. They are going to leverage the power of social media in their marketing efforts and they are going to invest in security to ensure these platforms stay operational.

This will be the "new normal" that small businesses and their customers rely on to stay connected now and in the future. It's also a tremendous opportunity for your client portfolios to invest in a trend of technology, financial transactions, and sales channels that will ride the wave of this enhanced demand.

Investment Idea 1: Cloud Computing & Cyber Security

We briefly touched on the attractive aspects of cloud computing in our prior issue as more employees engage in work-from-home practices. It's our belief that this segment of the technology sphere will continue to expand at a blistering pace in the coming years and several data sets support that narrative.

Research firm Gartner Inc predicted last year that worldwide public cloud computing revenue would soar 17% in 2020 to $266 billion. That number is expected to grow another 33% to $354.6 billion by 2022, and those numbers were forecasted *before* coronavirus! (source)

There are several pure-play funds designed to capture that growth in a diversified manner by owning a basket of stocks dedicated to software, infrastruc-

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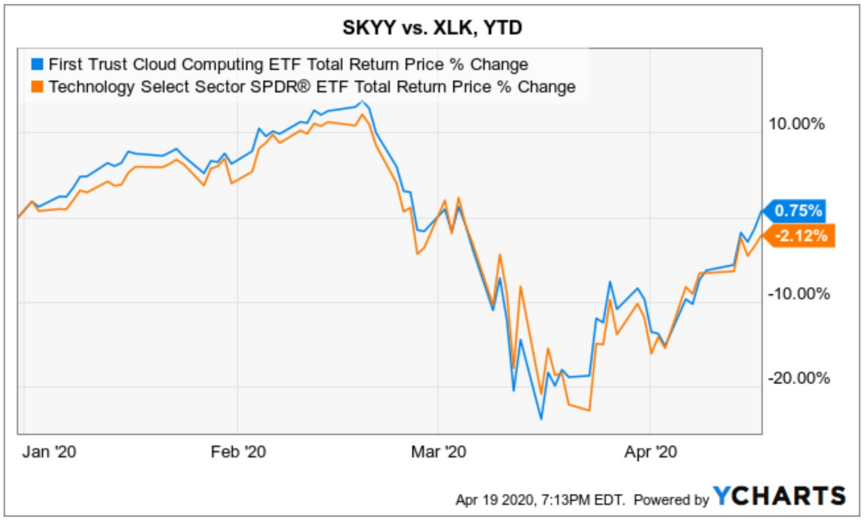
ture, and remote workplace services. The largest and most well-established of this group is the **First Trust Cloud Computing ETF (SKYY)**. This $2.2 billion ETF contains exposure to 60 technology stocks selected and weighted according to a methodology that is unique to the industry.

The underlying holdings in SKYY must be categorized as cloud computing by the Consumer Technology Association and meet strict criteria for minimum size and daily trading volume. Individual holdings are then given a score based on the categories Software-as-a-service, Infrastructure-as-a-service, and Platform-as-a-service. The scores then help determine the weight of each company within the index at each quarterly rebalancing date with a maximum cap of 4.50%.

The result is a highly diverse, liquid, and low-cost portfolio of cloud computing stocks with many well-known names. Amazon, Microsoft, Oracle, Alphabet, and VMware currently round out the top five holdings as of the latest index data. What's fundamentally attractive about this fund is that you get a mix of three major cloud silos in one vehicle. You get the infrastructure providers such as Amazon and Microsoft alongside the security companies such as Zscaler and Citrix Systems. Furthermore, the application providers such as Salesforce, DocuSign, and Adobe all are represented as well.



First Trust Cloud Computing ETF (SKYY)	
Inception Date:	5/27/2011
Assets:	$2.8B
Avg Daily Volume:	542K
Expense Ratio:	0.60%
# of Holdings:	62
YTD Return:	0.75%
3-Yr Return:	61.56%
Mstar Rating:	3 Star

This well-balanced mix has SKYY aptly positioned to be one of the beneficiaries of the heavy migration to cloud services. It also sports an expense ratio of 0.60%, which makes for an affordable tactical industry ETF to supplement your existing core equity exposure.

The chart here shows that the fund underwent a similar correction as the overall technology space since the February peak, and has subsequently regained much of its decline. It's likely that these stocks continue to act in concert with the broad market through the remainder of the year as we receive news (good or bad) on the economic ramifications of the COVID- crisis. The real tailwind will come during the long-term recovery phase as we expect this to be an alpha-producing area of the next bull market.

It's worth mentioning the landscape of competing funds in this industry as well. The next largest ETF in this class is the **Global X Cloud Computing ETF (CLOU)** with $400 million in total assets. It just celebrated its first anniversary and thus does not have the same historical track record as its larger peer.

CLOU is constructed with approximately 35 stocks as compiled by the Indxx Global Cloud Computing Index. The individual weightings behind each stock seem to favor high growth companies such as Zscaler, Shopify, and Digital Realty Trust. It also

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charges a slightly higher expense ratio than SKYY at 0.68%.

From a comparative standpoint, CLOU emphasizes smaller companies with a narrower subsection of the cloud industry represented in its holdings. It also contains exposure to real estate investment trusts (REITs) engaged in the server operations field that differentiates it from SKYY. This is likely to lead to varying degrees of performance and volatility between the two funds over longer periods.

In this environment, my preference would be to lean towards the higher-quality, lower-cost option in SKYY as a first choice. Those clients with a little more risk tolerance or who want to really emphasize this theme in their portfolios may want to look at CLOU or even owning both ETFs to create a more aggressive footprint.

We would also be remiss in failing to highlight a brand-new upstart in this field. Dan Ives, of Wedbush Securities (who we mentioned in the last issue), partnered with ETFMG to launch a new cloud-based ETF. Its moniker is the **Wedbush ETFMG Global Cloud Technology ETF (IVES)**.

IVES is designed to capture the mid-cap, work-from-home stocks that are expected to explode over the next decade. It takes a differentiated approach by having only 50% of the portfolio allocated domestically with the remaining assets spread among foreign stocks in foreign developed countries. Its portfolio is far different than that of SKYY or CLOU in both stock selection and allocation.

It's far too early to weigh in on the efficacy of this strategy, but with the brand weight behind Dan Ives, I wouldn't count it out. IVES is an ETF that we will be watching in the cloud computing industry as it develops a discernible track record under its new methodology.

ETF Nerd Alert: IVES was created by assuming the structure and assets of the ETFMG Drone Economy Strategy ETF (IFLY), which is why it has a track record associated with it. The changeover was officially announced and implemented on April 7. They essentially borrowed the shell of a fund that had minimal assets and re-launched it as a cloud computing index. This method has been used by smaller ETF issuers in the past to increase the speed of adoption and reduce legal/regulatory costs.

Investment Idea 2: E-Commerce

E-commerce is not a new concept, but like my anecdotal observations in the introduction, there is now a tremendous need for every business that produces or sells tangible goods to have this function as part of their sales channels. No longer can a business rely strictly on brick-and-mortar retail or direct consumer interaction to support its revenue stream. It's too easy for the physical customers to disappear in the event of another health crisis, natural disaster, or other unforeseen global event.

Our natural inclination is to search out the ETF universe for a suitable candidate that would fit well in your client portfolios. However, in this instance, there is a weak field of options that we can't responsibly recommend. Several come up in online queries such as the Global X E-Commerce ETF (EBIZ), Franklin Disruptive Commerce ETF (BUYZ), and ProShares Online Retail ETF (ONLN). All of which have little AUM, short windows of trading history, and could potentially close if their sponsors deem them too expensive to continue operations.

What we can glean from these unproven funds is what some of the top stocks are in the e-commerce industry. We let the asset managers and index mavens do the work for us so that you can present to your clients the cream of the crop in alpha-producing solutions.

In this environment, many small- and medium-sized companies are going to be looking to bolt on an e-commerce solution to their existing websites or build one from scratch. That's where brands such as **Shopify (SHOP)** and **GoDaddy Inc (GDDY)** come in.

Shopify is the biggest pure play on this theme because its platform allows users to create a functional online store in minutes. It even integrates merchant processing functionality, web design, encryp-

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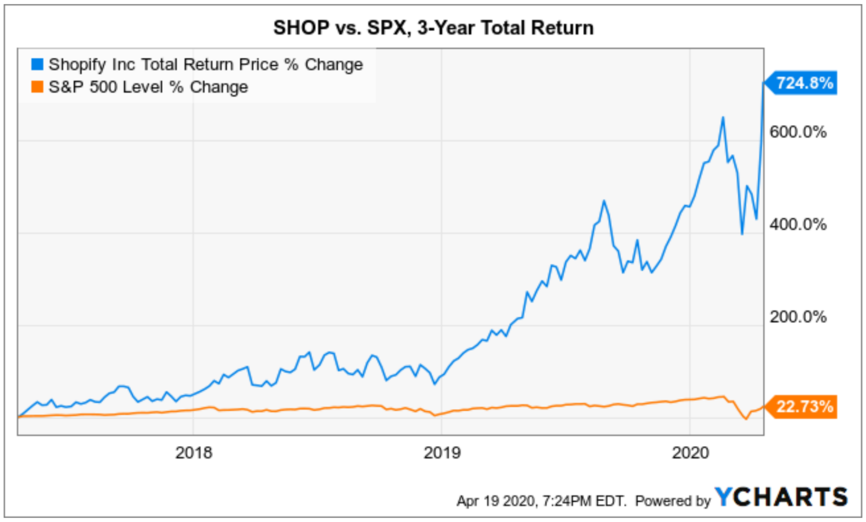
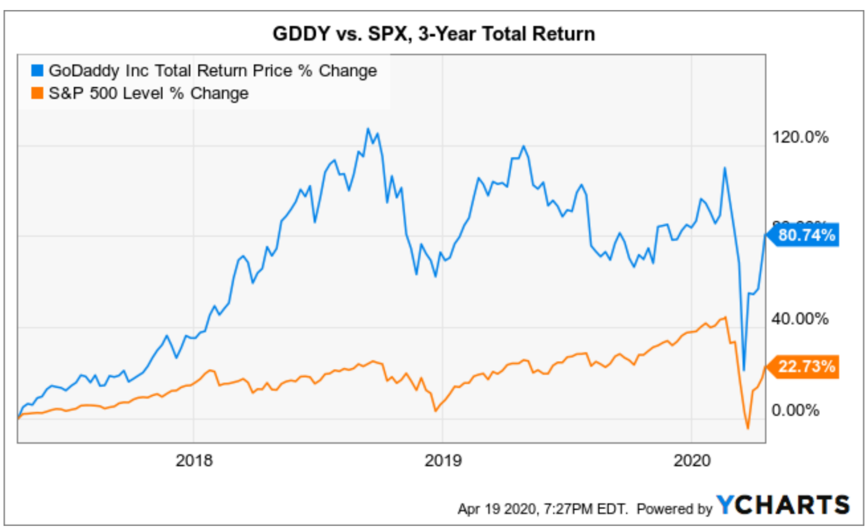
tion, and other features that customers have come to expect from their online shopping partners. It's an end-to-end solution that allows even novice users to craft a desirable and safe destination for their customers to purchase products.



SHOP is a $48 billion market cap company that has seen its sales growth explode over the last five years. They went from $205 million in revenue in 2015 to $1.58 billion in 2019. My expectation is that this sharp growth pattern will only continue to accelerate even further in the years ahead. While net income has yet to turn positive, Shopify continues to invest in its growth with the expectation of profits down the road.

Just look at how Shopify has outperformed over the last three years. The stock has rocketed nearly 725% versus a gain of just 22.73% for the S&P 500.

Our other top e-commerce pick, GoDaddy, is where businesses will likely turn when they are truly starting from scratch. As the world's largest domain registrar, this publicly traded web company specializes in website hosting, email delivery, e-commerce, security, backup, and a wide range of other resources. It's a one-stop-shop for those that need an entire bundle of web services from a single provider with a long business history.



This $11 billion market cap stock did $3 billion in revenue last year and turned a tidy profit on its diverse business model. Additionally, its stock price has continued to outpace the domestic benchmark by a wide margin on a three-year lookback.

This combination of SHOP and GDDY make for a formidable e-commerce and web hosting platform that can bolster your exposure to this theme in your client portfolios.

As individual stocks with industry-specific business risks, we typically recommend smaller allocation sizes than you would utilize in a diversified ETF. That way you are able to ride the tailwind of this sector without overexposing your asset mix to enhanced volatility.

Lastly, we realize that online product sales do not operate in a vacuum with only a self-created web store. Many producers also contract with distributor marketplaces such as Amazon, Walmart, Etsy, and eBay.

These companies give third-party sellers the capability to list their tangible products and sell through established distribution channels by taking a cut of the revenue. It's an enticing proposition to reach a far wider audience, especially if you have a niche product that is easily deliverable on a national scale.

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All of these companies feature prominently in many of the internet and technology funds we have recommended in the past. Moreover, it's likely that you already own a fair amount of these stocks in your existing exposure and wouldn't need to supplement further.

Investment Idea 3: Payment Processing and Cash-Less Transactions

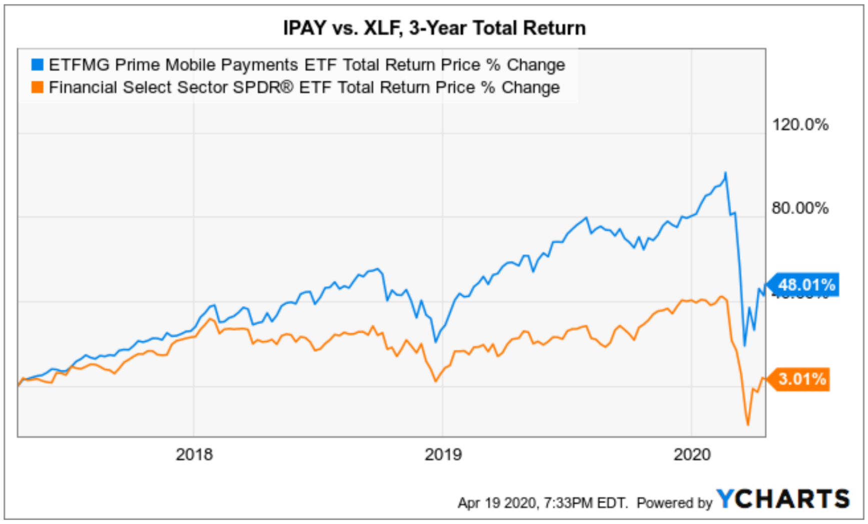
Some of you may be tired of me beating the drum on payment processors as the next wave of financial innovators. However, every time I look at this sector, I get more excited about the dynamics in play for online transactions and cashless payments.

Even the CDC and WHO say cash is dirty and should be avoided! (source). I know that's what I immediately think of when I open my wallet to purchase something and have to decide between cash or card.

Contactless payments, online credit card transactions, and peer-to-peer money transfer are the wave of the future, and I encourage everyone to consider this the new, must-own financial sector. A brief reminder of our favorite play on this industry is the venerable **ETFMG Prime Mobile Payments ETF (IPAY)**.

This unique financial sector fund is one that is latching on to the online and mobile payment revolution with exciting results. It owns 39 primarily large-cap stocks such as PayPal, Visa, Mastercard, Square Inc, Global Payments Inc, and American Express.

These stocks are at the forefront of the e-commerce revolution, which has continued to expand at a breakneck pace. Furthermore, it's likely that consumers will ramp up their online spending trends to even greater heights in the midst of social distancing and other isolation recommendations by federal, state, and local governments. These stocks are aptly poised to take advantage of this dynamic, and to capitalize on digital revenue streams already in place.



IPAY will celebrate its fifth anniversary this year and has over $550 million in assets under management. This niche ETF charges an expense ratio of 0.75%, which is a little on the high side for an industry fund in today's market, but worth the price of admission if it performs as it has over the last several years.

The chart here of IPAY shows it crushing its sector benchmark, the Financial Select Sector SPDR (XLF), over the past three years.

ETFMG Prime Mobile Payments ETF (IPAY)	
Inception Date:	7/16/2015
Assets:	$520.5M
Avg Daily Volume:	269K
Expense Ratio:	0.75%
# of Holdings:	40
YTD Return:	-17.94%
3-Yr Return:	48.01%
Mstar Rating:	N/A

What I like most about IPAY is that it is geared towards the next generation of growth in the financial sector rather than being beholden to traditional value-oriented banks or insurance companies.

The fund straddles the line between financials and technology like no other diversified investment vehicle. This ETF has the platform and current economic tailwind to exceed expectations as the recovery phase takes hold.

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Conclusion

In my opinion, the dust has not completely settled on the trickle-down effects from this economic calamity, and there are going to be opportunities to purchase many of these stocks or ETFs at generational price discounts.

So, it is therefore imperative that you do your due diligence in these areas now and start speaking with clients about the aftereffects that will lead to even greater profits down the road.

We are committed to sharing these themes with you and shaping portfolio decisions with a responsible message that you can relay and implement with effective results.

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: 3.02%	SPY: 20.47%
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: 7.89% ROBO: -4.94% AMBA: 8.66% QCOM: 23.20% (closed)	SPY: 18.92% 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: -31.55% ALB: -53.42%	SPY: 18.92%
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: -26.21% REGL: -5.15% SMDV: -13.96%	AGG: 14.15% MDY: -12.61% IWM: -17.12%
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: 1.54% MNA: 1.01%	AGG: 13.92%

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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:** **-12.34%**	**SPY:** **15.07%**
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:** **-30.66%**	**ACWX:** **-15.59%**
"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:** **-4.38%** **EMLC:** **-13.96%** **EBND:** **-7.82%** **AGEYX:** **-4.67%**	**AGG:** **14.43%**
"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:** **-11.41%** **BLCN:** **-0.08%**	**SPY:** **6.14%**
"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:** **12.69%** **TOTL:** **9.40%** **FTSL:** **1.23%**	**AGG:** **16.34%**

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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:** **5.38%**	**BIL:** **4.00%**
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:** **-10.03%**	**ACWX:** **-17.72%**
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:** **-35.80%**	**SPY:** **8.57%**
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:** **-25.95%** **DLS:** **-30.25%**	**EFA:** **-16.86%**
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:** **27.67%**	**SPY:** **8.25%**
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:** **-4.48%**	**SPY:** **9.01%**
"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:** **-13.40%**	**EEM:** **-3.83%**

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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 over-looked.* *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: -33.76%	IWM: -27.07%
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 on-line 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: -1.51% FINX: -3.44% IPAY: -2.35%	SPY: 3.81%
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: 2.27% USFR: 3.30% SRLN: -2.45% EFR: -15.48%	AGG: 15.48%
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: -17.29% IEME: -12.00% XLC: 0.38% DIS: -6.68%	SPY: 2.29%
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 stand-point.* *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: -22.66% SBIO: 3.18% FXG: -4.10%	SPY: 0.83%

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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: -32.87% GNR: -29.00% RLY: -19.50%	DBC: -33.23%
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: 2.69% LDUR: 4.45% MINT: 2.21%	BIL: 2.92%
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: 11.38% DYLS: -34.20% PTLC: -14.02%	SH: -4.90%
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: -4.77% MLPA: -50.90% DCP: -81.16% SHLX: -36.24%	SPY: 7.61% AMLP: -51.96%

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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: -24.16% DVP: -31.36%	VTV: 0.88%
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: -6.82%/-9.66% ITB/VNQ: 2.48%/5.51% DFE: -15.86%	SPY: 15.52%
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: -11.99%	SPY: 10.89%
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: 4.49% VRP: 1.12% PFXF: 1.81%	PFF: 0.41%
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: 6.38% NRG: -26.76% CNP: -46.51%	XLU: 8.72%

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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: 1.90% CIBR: 3.70% FTNT: 28.98% CYBR: -10.92%	QQQ: 24.06%
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: -66.86% ACB: -91.08% CGC: -64.23% APHA: -67.77%	SPY: 3.43%
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: 4.30%	SPY: 2.31%
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: 1.71% CCOR: 7.16% JHEQX: 0.11%	SPY: 10.05%

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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: 14.58% ARKG: 19.53% XITK: 3.02%	QQQ: 12.96%
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: 16.69% XBI: 11.90% IHF: 12.89%	XLV: 15.47%
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: 0.24% SPLV: -5.41% EEMV: -10.88% EFAV: -7.11%	SPY: 0.49%
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: -41.05% OHI: -10.40% SCI: -10.59%	SPY: 2.51%

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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:** **19.38%** **SGOL:** **19.66%** **GDX:** **19.53%** **KL:** **-15.68%** **FNV:** **44.60%**	
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** **-5.63%** **SPMO:** **-3.77%** **FDMO:** **-4.13%**	**SPY:** **-7.91%**

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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" uni-*	**7/30/19**	**MILN:** **-11.40%** **GIGE:** **-10.13%**	**SPY:** **-5.95%**
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:** **-19.18%** **VNQI:** **-23.66%** **REZ:** **-56.75%** **REM:** **-51.99%**	**SPY:** **-2.09%**
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:** **-29.15%** **PPA:** **-19.20%** **UFO:** **-26.64%**	**SPY:** **-1.52%**

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<u>Japanization Playbook</u> **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:** **3.66%** **VYM:** **-11.71%** **PDI:** **-26.40%**	**SPY:** **-3.77%**
<u>Reflation Playbook</u> **Reflation Strategy 1: A better tech ETF.** **Reflation Strategy 2: Momentum Factor.** **Reflation Strategy 3: The Consumer.** **Reflation Strategy 4: Emerging Markets.** **Reflation Strategy 5: Floating Rate Funds.**	This issue is the final piece of our four-part series on the longer-term outcome for this market: **Japanization or Reflation?** Reflation issue goes **deeper into the sectors and assets that will** outperform if we get another successfully engineered economic reflation – driven in part by a weaker dollar – like we did in 2016-2018.	**9/24/19**	**Various ETFs listed in the Issue**	
<u>Investing in Green Energy</u> **TAN (Invesco Solar ETF)** **FAN (First Trust Global Wind Energy ETF)** **ICLN (IShares Global Clean Energy ETF)** **PBW (Invesco Wilderhill Clean Energy ETF)**	Advisors today need to know funds and ETFs that can help clients invest for a greener future, **as doing so will align client investments with their interests and build more trust between the advisor and client.** In this *Alpha* issue, we cover some of the best ETFs for direct alternative energy exposure, and the results may surprise you <u>as some of the best alternative energy ETFs share a lot of characteristics with tech ETFs and multinational industrial ETFs.</u>	**10/8/19**	**TAN:** **-2.00%** **FAN:** **-3.96%** **ICLN:** **-3.99%** **PBW:** **3.47%**	**SPY:** **-1.03%**
<u>Investing in the Water Industry</u> **PHO (Invesco Water Resources ETF)** **FIW (First Trust Water ETF)** **TBLU (Tortoise Global Water ESG Fund)**	We are continuing the theme from the last issue of 1) Making money (generating alpha) and 2) Doing good (appealing to clients focused on the environment), and we're doing it by taking a deep dive into the water industry. The water industry remains a quasi-niche, but it shouldn't, as water industry investment can: Generate alpha as major water industry ETFs have outperformed the S&P 500 over the past several years and It can strengthen client relationships as water investment is closely tied to ESG investing, and water demand is a concept that clients can easily relate to.	**10/22/19**	**PHO:** **-9.37%** **FIW:** **-11.57%** **TBLU:** **-11.71%**	**SPY:** **-4.56%**

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Outperforming in A Declining Dollar Environment **VGT (Vanguard Information Technology ETF)** **IHI (IShares U.S. Medical Devices ETF)** **EMLC (VanEck Vectors J.P. Morgan EM Local Currency Bond ETF)** **PDBC (Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF)**	If there's going to be a global reflation, then it will likely come with a weaker U.S. Dollar. From early 2017 through early 2018 the dollar declined from over 100 to below 90 (so more than 10%) and that had a significant impact on stocks: The 2017 decline in the dollar resulted in **a 31% gain for the S&P 500** from December 2016 through January 2018. But, the dollar decline also created opportunities for specific sectors and assets classes to handily outperform the S&P 500, and we want to identify those opportunities in three strategies: • Targeted sector exposure via a focus on U.S. Exporters • International ETF Exposure • Commodities Allocations.	**11/5/19**	**Various ETFs Listed in the Issue**	
Closed End Funds **ETG (EV Tax Adv. Global Dividend Inc)** **HTD (JH Tax-Advantaged Dividend Inc)** **PDI (PIMCO Dynamic Income)** **NZF (Nuveen Municipal Credit Income)** **FFC (Flaherty & Crumrine Preferred & Income Sec.)** **RQI (Cohen & Steers Quality Income)**	Closed End Funds (CEFs) are under-utilized compared to ETFs (we explain why in the issue) but CEFs have advantages over ETFs both on a yield and tactical basis – and we think that CEFs can be an effective tool, when integrated into a broader portfolio strategy, that can boost yield and create opportunities to generate alpha.	**12/3/19**	**ETG:** **-23.30%** **HTD:** **-30.24%** **PDI:** **-30.21%** **NZF:** **-12.06%** **FFC:** **-12.44%** **RQI:** **-32.56%**	**SPY:** **-7.81%**
Cash Management **FPNIX (FPA New Income Fund)** **MINT (PIMCO Enhanced Maturity Active ETF)** **BBBIX (BBH Limited Duration I)**	In this issue, we identify three funds that provide market-beating returns on cash with very low duration and good liquidity, and we rank them depending on preference: More aggressive (and higher yield), Conservative, and "In Between."	**12/17/19**	**BBBIX:** **-1.96%**	**BIL:** **0.49%**

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Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Outperforming in A Declining Dollar Environment **VGT (Vanguard Information Technology ETF)** **IHI (IShares U.S. Medical Devices ETF)** **EMLC (VanEck Vectors J.P. Morgan EM Local Currency Bond ETF)** **PDBC (Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF)**	If there's going to be a global reflation, then it will likely come with a weaker U.S. Dollar. From early 2017 through early 2018 the dollar declined from over 100 to below 90 (so more than 10%) and that had a significant impact on stocks: The 2017 decline in the dollar resulted in **a 31% gain for the S&P 500** from December 2016 through January 2018. But, the dollar decline also created opportunities for specific sectors and assets classes to handily outperform the S&P 500, and we want to identify those opportunities in three strategies: • Targeted sector exposure via a focus on U.S. Exporters • International ETF Exposure • Commodities Allocations.	**11/5/19**	**Various ETFs Listed in the Issue**	
Closed End Funds **ETG (EV Tax Adv. Global Dividend Inc)** **HTD (JH Tax-Advantaged Dividend Inc)** **PDI (PIMCO Dynamic Income)** **NZF (Nuveen Municipal Credit Income)** **FFC (Flaherty & Crumrine Preferred & Income Sec.)** **RQI (Cohen & Steers Quality Income)**	Closed End Funds (CEFs) are under-utilized compared to ETFs (we explain why in the issue) but CEFs have advantages over ETFs both on a yield and tactical basis – and we think that CEFs can be an effective tool, when integrated into a broader portfolio strategy, that can boost yield and create opportunities to generate alpha.	**12/3/19**	**ETG:** **-23.30%** **HTD:** **-30.24%** **PDI:** **-30.21%** **NZF:** **-12.06%** **FFC:** **-12.44%** **RQI:** **-32.56%**	**SPY:** **-7.81%**
Cash Management **FPNIX (FPA New Income Fund)** **MINT (PIMCO Enhanced Maturity Active ETF)** **BBBIX (BBH Limited Duration I)**	In this issue, we identify three funds that provide market-beating returns on cash with very low duration and good liquidity, and we rank them depending on preference: More aggressive (and higher yield), Conservative, and "In Between."	**12/17/19**	**BBBIX:** **-1.96%**	**BIL:** **0.49%**

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Hedged Equity ETFs **DMRL: DeltaShares S&P 500 Managed Risk ETF.** **CCOR: Cambria Core Equity ETF.** **JHEQX: JPMorgan Hedged Equity Fund Class I.**	We want to highlight hedged ETF strategies that can help advisors protect gains if we are at the start of a 2018 style correction, or worse, our first bear market in over a decade, while at the same time maintaining long exposure if/when the correction ends. Hedged ETFs outperformed the S&P 500 in 2018, and if this current correction turns into a lengthy pullback, hedged ETFs will help preserve client gains.	**3/10/2020**	**DMRL:** **-5.85%** **CCOR:** **-8.33%** **JHEQX:** **-11.87%**	**SPY:** **-18.06%**
Sector Opportunities from the Coronavirus Decline **Tech Sector (Three ETFs)** **Financials (Three ETFs)** **Energy (Three ETFs)**	This will be the first part of a two-part series that addresses potential longer-term opportunities from this crisis. For today's issue, we selected three sectors: **Tech, Financials and Energy, and we provided three ETF options in each sector depending on whether you are looking for broad-based exposure (and diversification) or want a more targeted strategy (higher risk/higher return).**	**3/24/2020**	**Multiple ETFs selected for each sector depending on risk tolerance.**	
Longer Term Industry Opportunities from the Coronavirus **Health & Wellness (Three ETFs)** **Mobility As A Service (IBUY: Amplify Online Retail ETF)** **Cord Cutting (JHCS: John Hancock Multifactor Media and Communications ETF).** **Stay At Home (XITK: SPDR FactSet Innovative Technology ETF)**	n this issue, **we build on the theme of a return to optimism by identifying specific stocks, ETFs, and industries likely to experience long-term tailwinds from this historic coronavirus pandemic black swan.** This trend will shift the spending and habits of millions of Americans over the course of the next decade.	**4/7/2020**	**PTH:** **18.39%** **IBUY:** **17.70%** **JHCS:** **6.42%** **XITK:** **13.34%**	**SPY:** **3.99%**

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