SEVENS REPORT *alpha*

December 15, 2020

In Today's Issue

- **Strategies that Outperformed in 2020 and Can Continue to Outperform in 2021.**
- 2020 has created fantastic growth in certain sectors and industries, and stocks and ETFs linked to them have produced huge YTD returns. **In this Alpha issue, we highlight four Alpha strategies that have massively outperformed, but that we believe have long-term staying power and can continue to outperform in 2021 and beyond.**
- Investment Review 1: Long-Term Pandemic Tech Opportunities. **IBUY (Amplify Online Retail ETF** up 152% since April recommendation) and **XITK (SPDR FactSet Innovative Technology ETF** up 103% since April recommendation).
- Investment Review 2: The New Wave of Online Payments/E-Commerce. **IPAY (ETFMG Prime Mobile Payments ETF** up 59% since recommendation).
- Investment Review 3: 5G Revolution. **QCOM (Qualcomm** up 80% since recommendation) **MRVL (Marvel Technologies (**up 30% since recommendation), **QRVO (Qorvo** up 54% since recommendation), and **FIVG (Defiance Next Gen Connectivity ETF** up 24.50% since recommendation).
- Investment Review 4: EV Batteries. **LIT (Global X Lithium & Battery Tech ETF** up 45% since recommendation).

Your 2020 Alpha Review

The year that was 2020 is going to go down in the history books as one the world will always remember. This is particularly true for financial advisors, as markets went from COVID bust to post-COVID boom in just a matter of months.

In fact, there was a surprising amount of joy to be found on Wall Street this year despite the sorrow that the pandemic wrought throughout society.

Although it seems quite a long time, it was just about 10 months ago when stocks began experiencing one of the sharpest corrections on record. Yet that correction was soon followed by an even quicker rebound that was so robust that it ultimately surpassed the previous high-water mark.

As we approach year-end, the economic, social, and political atmosphere may well be unprecedented in modern times. Many industries have been decimated by the financial impact of quarantines and health directives, while others have thrived beyond even the most wildly bullish estimates.

More directly, business is good for technology, logistics, consumer staples, and e-commerce stocks while hospitality, financial, energy, and industrial giants struggle.

Moreover, nobody predicted that the worst pandemic in a century would be the biggest determinant of how the markets played out this year. However, with careful stewardship and well-timed portfolio decisions, smart advisors managed to make a meaningful impact on net returns.

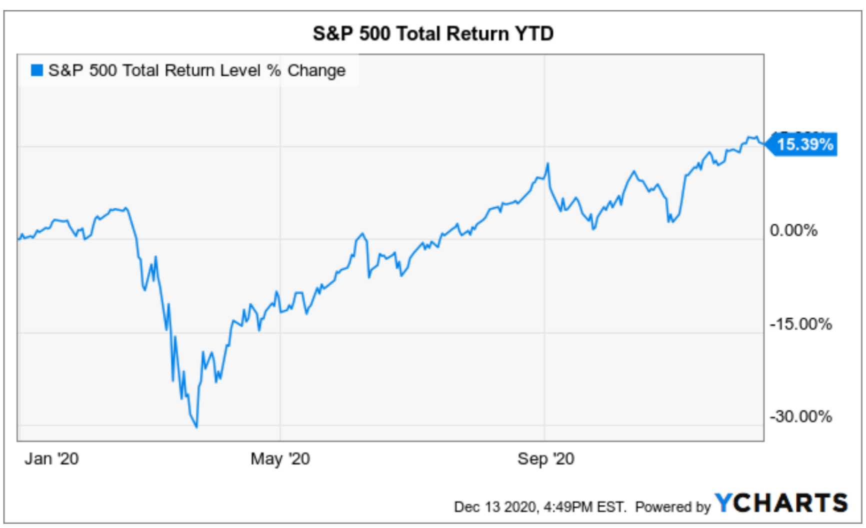
The table atop Pg. 2 shows the 2020 scorecard, which illustrates the 2020 market dichotomies. What immediately stands out is how far ahead the technology and consumer discretionary sectors have risen, even considering the recent value and cyclical stock outperformance.

Technology via the Technology Select Sector SPDR (XLK) is no surprise given the emphasis on remote work/school, software, video conferencing, social media, and other connectivity services that have been so crucial this year. This sector has been the leader for decades and continues to demonstrate meaningful strength in the face of adversity due in large part because of rapid innovation.

TICKER	YTD	TICKER	YTD
SPY	16.56%	XLK	38.90%
QQQ	44.49%	XLV	11.94%
IWM	14.86%	XLY	27.18%
		XLP	9.49%
EFA	5.95%	XLI	11.27%
EEM	13.99%	XLB	18.85%
		XLF	-3.92%
AGG	6.82%	XLE	-28.78%
TLT	16.14%	XLU	-0.79%
IEF	9.36%		
LQD	9.84%	GLD	20.59%
HYG	3.50%	OIL	-24.24%

The Consumer Staples Select Sector SPDR (XLY) is another "no brainer" in a pandemic due in most part to its mega-cap holdings. Amazon alone makes up more than 21% of this ETF. It's then followed by Nike, Home Depot, McDonald's, and Starbucks. Those five stocks account for 50% of the portfolio and thus the bulk of the net performance. They are also some of the leaders in productive goods and quality services through the pandemic that consumers truly relied on.

It's also not surprising to see legacy financial and energy stocks struggling in the midst of a weakened employment picture, reduced transportation needs, and ultra-low interest rates. These cyclical sectors are going to be driven more by global trade, currency, and commodity forces rather than innovation.



The net result of these complex factors has produced an above-average year for the stock market as measured by the top-heavy S&P 500 Index. The market-cap-weighted bellwether has gained about 16% since the start of 2020 and continues to hit new highs on a near-daily basis.

From our perspective, it's important to not only have been in-step with the markets along the way, but also to have created value through this service in the form of market-beating recommendations.

Our goal has always been to offer a performance advantage in your portfolio by identifying best-of-breed solutions that add real-world alpha.

We have been fortunate this year to have most of our recommendations outpace conventional benchmarks and just a handful that fell flat. Our year in review looks at how these strategies came to be and whether they will stand up to the test of 2021.

Investment Review 1: Long-Term Pandemic Tech Opportunities

In April, we were still grappling with what the world was going to look like. More specifically, we took a hard look at sectors or industries that would benefit greatly from the pandemic consumer behavior shift. That includes everything from e-commerce to remote work, telemedicine, digital media delivery, and mobility as a service. What we couldn't have predicted that early was how much acceleration these opportunities were given in such a short period of time.

Two funds in particular that really stood out are the **Amplify Online Retail ETF (IBUY)** and **SPDR FactSet**

Innovative Technology ETF (XITK). These exchange-traded funds have notched year-to-date returns of 106.63% and 77.19% respectively (through Dec. 4). Since our April 7 issue where we first highlighted these opportunities, the funds have jumped 152% and 103% in kind. That's an astounding short-term return for what was not even the true bottom in the market. Stocks were already well on their way to an upswing after hitting a wash out low three weeks prior.

To give you a quick recap on these funds, IBUY is all about targeting companies that sell goods or services online and deliver them to your doorstep. Its portfolio of 47 stocks includes Amazon, GrubHub, Chewy Inc, Stamps.com, PetMed Express, eBay, Uber. It also owns content distribution stocks such as Netflix, IAC Interactive, and Spotify.

IBUY may be the perfect "stay at home" portfolio because it allocates across a large swath of the consumer goods, entertainment, travel booking, and delivery spectrum. The portfolio is roughly split in half between large-cap stocks and small/midcap stocks. Furthermore, it has a fair amount of international exposure with 25% of the portfolio located in foreign markets such as China, Germany, the UK, and Japan.

XITK is an enhanced index fund designed to gain exposure to 100 companies in the technology field with robust revenue growth and leading-edge products or services. That's the magic combination that has driven XITK to count stocks such as Zoom Video Communications, Slack Technologies, Zscaler, Netflix, and Shopify in its top 10 holdings.

But, this ETF isn't just about online communication and content. Additionally, it has exposure to business-focused cloud favorites like DocuSign, Dropbox, Coupa Software, LogMeIn, Apple, Alphabet, Paycom, and CyberArk, and these are companies that will continue to benefit from the longer-term trend of "work from home" that will persist long after the pandemic has passed.

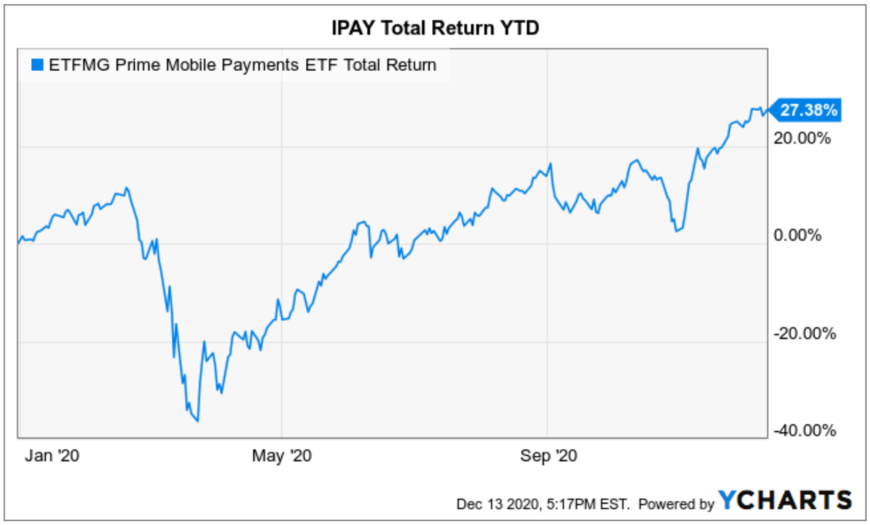
This tech portfolio is truly geared towards those web-based application services that are experiencing a high degree of sales growth so that the "work from home" businesses can thrive. Like many SPDR series funds, XITK takes an equal-weighted approach to its portfolio construction criteria so that smaller stocks get a more prominent allocation size than a market-cap weighted basket.

What's truly exciting about both IBUY and XITK (and why we think they can continue to outperform) is how strong their positioning is as the world becomes more reliant on distance work, distance education, and distance retail. We expect that the growth of these industries will only continue even as the pandemic ultimately recedes in the future.

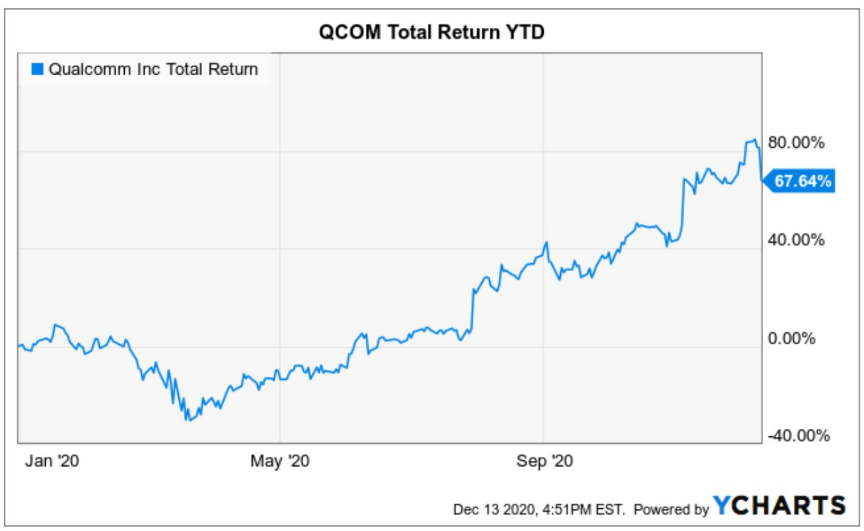
As we wrote in our April issue: *This event is going to significantly change how consumers spend their dollars and how businesses deploy their workforce. You want to be on the right side of those secular trends during the recovery phase that will undoubtedly take hold.*

Investment Review 2: The New Wave of Online Payments/E-Commerce

Soon after our call on the stay-at-home stocks was published, we did a follow-up piece on the shifting dynamics of consumer retail behavior. More explicitly, this looked at how businesses can widen their financial infrastructure to reach more customers and how consumers actually move dollars through those businesses. The most successful solutions include a shift away from traditional cash and banks to merchant credit card providers, peer-to-peer payment networks, and other unconventional money solutions. Put more directly, the pandemic will result in virtually every retailer, both small and large, having an online presence, because small businesses will not be caught relying on "in person" commerce exclusively going forward.



The fund tackling this problem with the greatest efficiency is the **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 Payment Inc, and American Express.



These stocks are at the forefront of the e-commerce revolution, which has continued to expand at a breakneck pace. 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. It straddles the line between financials and technology like no other diversified investment vehicle.

That positioning truly allowed this fund to thrive this year with a total return of 27.38%. Furthermore, IPAY has gained more than 59% since we initially called it out as a strong growth opportunity in late-April. It then subsequently went on to set new all-time record highs.

IPAY is well positioned from both a fundamental and technical standpoint heading into 2021 as the world transitions to greater volumes of e-commerce. It will surely benefit in this arena and continues to be our top recommendation in the financial growth space.

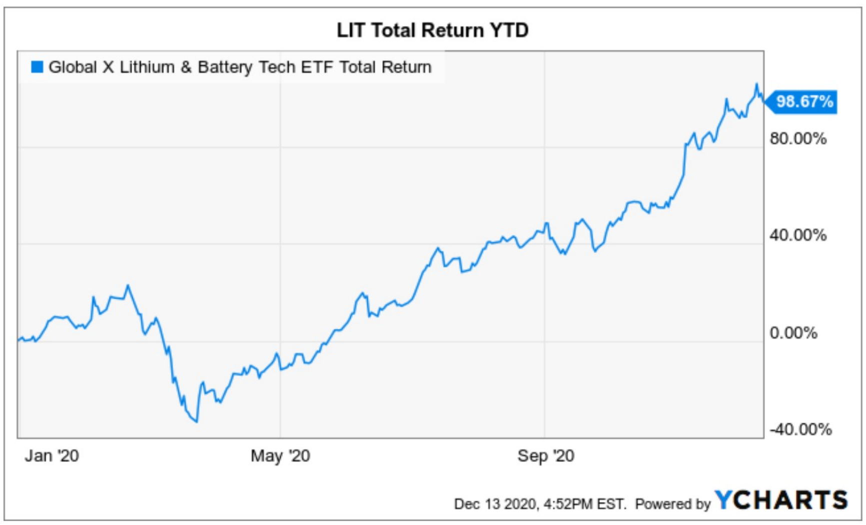
But one of the other reasons we think IPAY can outperform going forward, and one of the IPAY dynamics we hadn't originally considered is how it's also positioned to benefit from a surge in cryptocurrency. Many of the top stocks in this portfolio such as PayPal, Square, and others have made it a priority to offer transactional advantages in unconventional assets like Bitcoin to their customers. This will ultimately open up new avenues of customer acquisition, retention, and revenue streams that uphold the mobile payments ethos of this fund. Essentially, IPAY gives the added benefit of providing indirect cryptocurrency exposure.

Investment Review 3: 5G Revolution

The 5G revolution is swiftly growing from proof of concept to full-fledged mobile network solution, and we will likely look back at 2020 as the jumping off point for real-world adoption. Apple just released its latest iPhone models that now support these data networks, and even faster technology is soon to follow.

We initially highlighted this opportunity at the exact midpoint of the year on June 30, and it has continued to provide a market-beating edge throughout the third and fourth quarters. Our top picks in this realm were Qualcomm (QCOM), Marvel Technologies (MRVL), and Qorvo (QRVO) in addition to the Defiance Next Gen Connectivity ETF (FIVG).

Since that date, these stocks have truly taken off into a new spectrum. Qualcomm has soared nearly 80%, with MRVL gaining 30% and QRVO jumping 54%. No matter how you slice it, these stocks are on a runway to repeated new all-time highs and continue to demonstrate favorable relative price momentum. Even the ETF FIVG has gained 24.50% over this time frame, which bests the performance of the broader S&P 500 Index.



To refresh your memory, the **Defiance Next Gen Connectivity ETF (FIVG)** tracks a wide array of 75 stocks in the 5G ecosphere that span numerous industries. These include semiconductor chips, radio frequency providers, mobile tower REITs, cloud computing, telecom carriers, and more. Companies screened for inclusion in the FIVG portfolio must meet minimum size and liquidity requirements to be eligible. The index also uses a modified market capitalization weighting methodology to spread the portfolio over varying industry groups and capping the maximum weight of each security.

The result is a highly diverse and well-suited mix of stocks that represent key players in the 5G revolution. Top companies include the aforementioned QCOM and QRVO in addition to NXP Semiconductors (NXPI), Nokia Corp (NOK), AT&T Inc (T), American Tower Corp (AMT) and more. There also is a modest global footprint in this index with 75% of the holdings domiciled in the United States and the remaining 25% spread primarily over foreign developed markets.

Going forward, we remain positive on 5G into 2021 for a few simple reasons: **First, the pandemic has only accelerated the adoption of mobile technology and using our mobile phones in virtually every aspect of our lives. 5G will be the beneficiary of that acceleration. Second, one of the few infrastructure initiatives that has received bipartisan support from the U.S. government is 5G, and the chances of a 5G infrastructure bill passing Congress is the highest in years.**

Bottom line, the revolution in this mobile technology infrastructure is going to provide a tidal wave of necessary upgrades to wireless service providers, hardware manufacturers and software providers, all of which equates to a long sales and profit curve for the picks and shovels plays in this space. We expect the 5G trend to ultimately be a long runway play with legs well into 2021 and beyond.

Investment Review 4: EV Batteries

We wrote about the investment thesis for electric vehicle batteries just three months ago in early September. Since that brief time, it has already been a wildly successful growth opportunity that continues to demonstrate favorable momentum through the end of the year.

The argument for electric vehicle battery manufacturers and technology advancements is going to be of global relevance over the next decade as more of the world's transportation infrastructure moves to fully electric or hybrid systems. Bloomberg forecasts that the lithium-ion battery market size will grow from $30 billion in 2020 to nearly $120 billion by 2030. Over that time span, there will be an exponential curve of vehicle sales, storage, recycling, and development to boost this promising industry.

Our diversified play in this space is via the **Global X Lithium & Battery Tech ETF (LIT)**, which just celebrated its 10-year anniversary and has swelled to more than $1.3 billion in total assets. Much of that asset gain in recent months has been the result of breakneck price appreciation. LIT has risen 45% since our Sept. 9 report and is now sitting on a gain of 98.67% for the year.

What makes this exchange-traded fund special and unique is the inclusion of battery production, lithium mining, and refiner stocks that are trading on both U.S. and foreign exchanges. Its top holdings include Albemarle Corp, Tesla Inc, LG Chem, BYD Co, and Ganfeng Lithium. It also has exposure to Contemporary Amperex Tech Co, Samsung SDI, and Panasonic Corp.

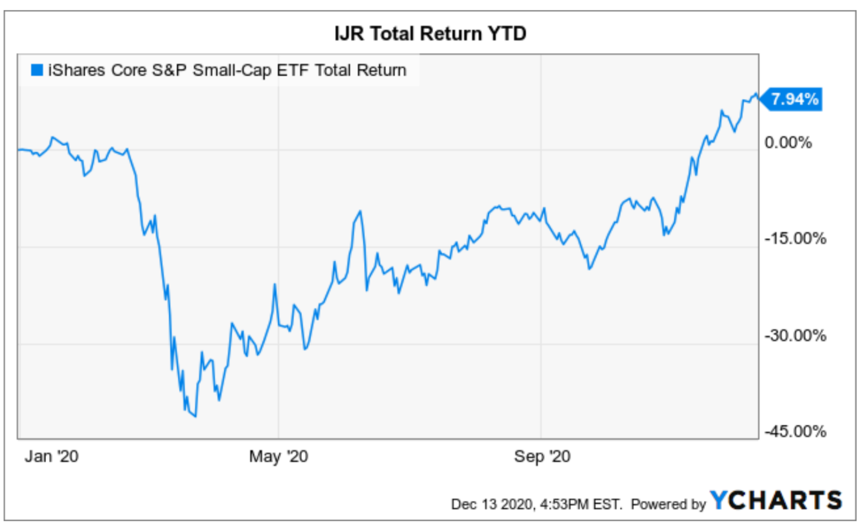
Stocks are weighted within the underlying LIT index primarily by market capitalization, with caps on certain sectors and industrial components. The fund currently has 40 holdings that are liberally spread around the globe. The country dispersion of the underlying stocks and their associated allocations include 47% in China, 20% United States, 12% South Korea, 5% Japan, and 5% Australia.

We concluded our original report on this trend with the following missive that still holds up well today:

The field of electric vehicles and battery production appears set to advance at a parabolic rate over the remainder of this decade. The [Journal of International Commerce and Economics]() recently forecast that some sizes of EVs will achieve cost parity with internal-combustion-engine (ICE) vehicles by 2024 or 2025, and all EVs will do so by 2030 (assuming no significant increases in material prices). That cost breakthrough, combined with battery density and charging enhancements, will mean EVs are destined to move out of the realm of novelty and into the mainstream. The stocks outlined in this report can provide your client portfolios the opportunity to participate in this secular trend with market-beating results.

They Weren't All Hits

Now, the point of this isn't to imply that everything we covered in Alpha went up a ton. We all know that's not how this business works. Any good adviser knows it's important to acknowledge opportunities that have yet to develop as they were originally intended. We recognize that not everything we highlight is going to be an instant success and some are actually intended for use during a very specific market scenario. Reviewing those investment strategies can also be helpful to reinforce the original thesis or potentially recognize that it may not be the best time to own that particular asset.



One such area that has yet to bear meaningful fruit are the pharma stocks outlined in our mid-year vaccine report. We highlighted the **VanEck Pharmaceutical ETF (PPH)** and **ETFMG Treatments Testing and Advancements ETF (GERM)** as two diversified ways of capitalizing on the global vaccine rollout. Since that time both funds have underperformed the market and have yet to make meaningful leaps as many investors likely expected.

PPH has gained 5.03% and GERM has advanced 3.11% since July 28, while the S&P 500 Index has jumped nearly 15%. It's encouraging that these funds are still showing positive returns on an absolute basis. However, they have yet to provide the relative alpha that is the hallmark of a truly successful investment thesis.

It's reasonable to expect that investors are uncertain about the global vaccine race as several companies are just now entering the final phases of vaccine approval for mass distribution. There also is likely to be speedbumps along the way in the supply chain and medical resources needed to properly deploy these units. We expect that this opportunity may need a longer runway and more clarity of how these vaccines impact their manufacturers financially in order to properly evaluate the continued efficacy of the trade.

Small-cap stocks were another intriguing variable in the curveball year that is 2020. In early January we dedicated an issue to small-cap stocks as a guide to selecting the best-of-breed solutions in this field. This wasn't necessarily a "call" on small caps to outperform, but rather an effort to enhance your knowledge of the available investment options and ultimately boost long-term portfolio returns. Our top pick in this field for core exposure is the **iShares Core S&P Small Cap ETF (IJR)**.

IJR differentiates itself from IWM in many ways. The foremost factor being an index screening methodology that weeds out unprofitable companies and focuses on a higher quality subset of the small-cap universe. It's also cheaper to own with a lower net expense ratio. Historically that has meant better real-world returns and dependable relative investment results.

Of course, 2020 has been anything but dependable. The net returns of IJR on a year-to-date basis are 7.72% as compared to 14.86% in IWM. Furthermore, these funds both trail the 16%ish gain in the large-cap SPY. Clearly small caps as a whole underperformed this year which is no surprise given the considerable financial pressures that smaller companies have faced in the COVID era.

In spite of the short-term performance gap, our confidence is still with IJR as the better core holding for those that require a small-cap position. Its fundamental and structural advantages outweigh the unwieldy IWM and it is likely to be the better of the two over the long haul.

At the beginning of the year, we also picked three contrarian ideas. The goal being to identify high-risk/high-reward investments that were beaten down and could have been a big turnaround story.

Those three were Cannabis via the ETFMG Alternative Harvest ETF (MJ); Energy via the SPDR Oil & Gas Exploration ETF (XOP); and Rising rates via the iShares Interest Rate Hedged Invest Grade Corp Bond (LQDH).

Interestingly enough, all three still are high on the contrarian list of every advisor out there, but all three have yet to demonstrate any meaningful gains this year. MJ and LQDH are essentially trading near the flat line for the year and XOP saw its share price crushed an additional 34% as global oil prices cratered.

These are all still in the high-risk/high-reward category and should be treated as such. Those with an aggressive risk tolerance or that love a good comeback story should tread with caution. Small position sizes as an optional play should be a standard operating procedure in the event you do decide that 2021 is the year these contrarian opportunities come into play.

Conclusion

It is important to celebrate successes in a year that has tested our resolve on both personal and professional levels.

We have been fortunate to be on the right side of the markets throughout 2020, and we continue to believe that more alpha opportunities will develop for our portfolios in the year to come.

As always, we will be there to offer our guidance and research in the pursuit of market-beating returns.

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:** **42.72%**	**SPY:** **58.32%**
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:** **66.69%** **ROBO:** **52.83%** **AMBA:** **98.10%** **QCOM:** **23.20% (closed)**	**SPY:** **55.90%** **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:** **58.64%** **ALB:** **5.57%**	**SPY:** **55.90%**
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**	**REGL:** **25.46%** **SMDV:** **6.83%**	**AGG:** **16.68%** **MDY:** **28.93%** **IWM:** **33.52%**
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:** **8.04%** **MNA:** **10.22%**	**AGG:** **16.45%**

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%
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: -7.83	ACWX: 14.47%
"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: 13.65% EMLC: 2.61% EBND: 5.58% AGEYX: 11.55%	AGG: 16.99%
"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: 53.19% BLCN: 65.11%	SPY: 39.64%
"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: 18.99% TOTL: 13.17% FTSL: 9.96%	AGG: 18.94%

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: 8.39%	BIL: 3.97%
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: 28.12%	ACWX: 11.75%
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: -11.86%	SPY: 42.59%
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: 7.23% DLS: -4.69%	EFA: 10.66%
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: 208%	SPY: 42.11%
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: 30.51%	SPY: 43.21%
"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).*	Issue 23: 6/26/18	EMQQ: 69.41%	EEM: 23.42%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Micro Caps IWC (I-Shares Micro-Cap ETF)	*Small caps outperformed until this most recent pullback, but while allocations to that sector of the market are rising, micro-caps, a sub-set of small caps, remain generally overlooked.* *Micro caps remain an overlooked, under-researched, and under-allocated part of the small cap universe that can offer diversification and outperformance (micro caps are perennial takeover candidates).*	7/10/18	IWC: 9.42%	IWM: 17.53%
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: 110.30% FINX: 64.81% IPAY: 55.79%	SPY: 36.18%
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: 4.87% USFR: 3.37% SRLN: 9.14% EFR: 6.67%	AGG: 18.05%
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: 43.05% IEME: 30.85% XLC: 40.04% DIS: 55.56%	SPY: 34.25%
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: 11.46% SBIO: 41.94% FXG: 11.96%	SPY: 32.32%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Commodities PDBC (Invesco Optimum Yield Diversified Commodity Strategy No K-1) GNR (SPDR S&P Global Natural Resources ETF) RLY (SPDR SSGA Multi-Asset Real Return ETF)	*Commodities have typically outperformed during late expansion and early recession phases of the economic cycle. Many economic indicators imply we are entering (or are already in) the late expansion phase of the economic cycle. As such, commodities have outperformed so far this year, and we expect that to continue.*	9/18/18	PDBC: -16.07% GNR: -1.78% RLY: -0.78%	DBC: -15.24%
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: 5.07% LDUR: 8.94% MINT: 3.56%	BIL: 2.89%
Bear Market Strategies USMV (I-Shares Edge MSCI Minimum Volatility USA 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: 27.22% PTLC: 13.14%	SH: -36.68%
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: -4.83% MLPA: -29.82% DCP: -26.79% SHLX: -33.38%	SPY: 41.25% AMLP: -30.46%

Sevens Report Alpha Fund & Stock Ideas

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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: 9.75%	VTV: 25.05%
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: 33.96%/12.59% ITB/VNQ: 83.01%/22.38% DFE: 23.27%	SPY: 51.69%
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: 25.40%	SPY: 45.77%
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: 17.31% VRP: 18.35% PFXF: 19.10%	PFF: 17.84%
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: 14.98% NRG: -19.55% CNP: -24.22%	XLU: 17.58%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: 37.18% CIBR: 46.99% FTNT: 50.61% CYBR: 5.66%	QQQ: 78.73%
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: -55.37% ACB: -89.90% CGC: -16.89% APHA: -46.00%	SPY: 35.77%
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: 42.94%	SPY: 34.39%
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: 14.42% CCOR: 6.54% JHEQX: 22.15%	SPY: 31.49%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: 170.1% ARKG: 213.7% XITK: 90.55%	QQQ: 62.78%
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: 41.55% XBI: 75.07% IHF: 39.49%	XLV: 29.54%
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: 14.55% SPLV: 6.30% EEMV: 10.99% EFAV: 6.81%	SPY: 31.86%
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: -14.54% OHI: 18.33% SCI: 12.03%	SPY: 34.75%

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Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: 29.93% SGOL: 30.82% GDX: 37.26% KL: -7.44% FNV: 52.59%	
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 22.57% SPMO: 28.66% FDMO: 24.10%	SPY: 18.86%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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:** **40.56%** **GIGE:** **78.27%**	**SPY:** **22.15%**
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:** **-7.85%** **VNQI:** **-5.54%** **REZ:** **-15.47%** **REM:** **-26.21%**	**SPY:** **27.17%**
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:** **-12.34%** **PPA:** **1.33%** **UFO:** **4.79%**	**SPY:** **28.08%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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:** **15.50%** **VYM:** **6.37%** **PDI:** **-5.33%**	**SPY:** **26.20%**
Reflation Playbook **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**	
Investing in Green Energy **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 as some of the best alternative energy ETFs share a lot of characteristics with tech ETFs and multinational industrial ETFs.	10/8/19	**TAN:** **197.9%** **FAN:** **65.60%** **ICLN:** **125.4%** **PBW:** **217.1%**	**SPY:** **29.78%**
Investing in the Water Industry **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:** **22.93%** **FIW:** **23.23%**	**SPY:** **25.20%**

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:** **10.63%** **HTD:** **-15.38%** **PDI:** **-10.23%** **NZF:** **2.70%** **FFC:** **15.70%** **RQI:** **-9.63%**	**SPY:** **20.94%**
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:** **2.99%**	**BIL:** **0.45%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Contrarian Ideas 2020 **MJ (ETFMG Alternative Harvest ETF)** **XOP (SPDR S&P Oil & Gas Exploration and Production ETF)** **LQDH (iShares Interest Rate Hedged Corporate Bond ETF)**	**Contrarian Idea: Cannabis Sector.** Cannabis stocks got crushed in 2019, but underlying demand for medical cannabis, along with public acceptance of the idea, continued to grow. **Contrarian Idea: Energy.** The energy sector lagged in 2019, but if there is a rebound in growth, combined with a protracted dollar decline, energy could handily outperform in 2020. **Contrarian Idea: Rising Rates.** Bonds surged in 2019 and the broad consensus is for perma-low rates. But the Fed is now targeting higher inflation, and if growth rebounds, rates could easily move higher.	**12/31/19**	**MJ:** **-8.43%** **XOP:** **-34.24%** **LQDH:** **0.25%**	**SPY:** **15.75%**
International Exposure **IQLT - iShares Edge MSCI International Quality Factor ETF.** **VIGI - Vanguard International Dividend Appreciation ETF** **GSIE - Goldman Sachs ActiveBeta International Equity ETF**	We all know that **proper diversification is essential to both risk management and long-term outperformance,** and while the outlook for the U.S. markets remains strong, proper diversification must be maintained for investors with long-term time horizons. So, we've done a deep dive into the very overpopulated world of international ETFs and selected the few ETFs that we believe offer a superior combination of 1) Exposure to quality international companies, 2) Focus on developed economies (so this isn't about emerging markets) and 3) Are trading at an attractive valuation.	**1/14/2020**	**IQLT:** **8.53%** **VIGI:** **9.97%** **GSIE:** **4.82%**	**ACWX:** **6.45%**
Opportunities in Small Caps **IJR: iShares Core S&P Small-Cap ETF** **VBK: Vanguard Small-Cap Growth ETF** **XSLV: Invesco S&P SmallCap Low Volatility ETF**	The stock market has become extremely "top-heavy" with a few mega-cap tech stocks like AAPL, AMZN, MSFT, GOOGL largely driving market performance and being the difference maker in annual performance. While that's been a good thing for the last several years for many investors, the reality is that now they are also not as diversified as they should be on a market-cap basis. Proper diversification across multiple criteria (including market cap) is essential to long term outperformance and portfolio optimization, so it's always something we need to be focused on. But, to get a bit more tactical, after years of underperformance, there's a credible macro set up where small-caps can outperform in 2020.	**1/28/2020**	**IJR:** **8.42%** **VBK:** **25.70%** **XSLV:** **-19.85%**	**IWM:** **16.36%**
Finding Actionable Opportunities in the Biotech Sector **IBB (iShares Biotechnology ETF)** **SBIO (ALPS Medical Breakthroughs ETF)** **XBI (SPDR S&P Biotech ETF)**	What outperforms during a global health emergency like the Wuhan virus? Historically, the biotech sector does, **which rose 40% compared to 25% for the SPY following SARS in the early 2000s.** But, investing in biotech is tough for an advisor. So, our goal for this Alpha issue was clear: **Find the best biotech ETFs that today's advisors can actually allocate to.**	**2/11/2020**	**IBB:** **27.13%** **SBIO:** **24.12%** **XBI:** **53.56%**	**SPY:** **9.52%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: 9.28% CCOR: -0.25% JHEQX: 17.75%**	**SPY: 27.34%**
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)**	In 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: 86.49% IBUY: 153.9% JHCS: 52.87% XITK: 109.4%**	**SPY: 38.53%**
Three Industries That Will Benefit from Changes in Corporate Behavior **Cloud Computing (SKYY: First Trust Cloud Computing ETF)** **E-Commerce (SHOP: Shopify & GDDY (GoDaddy)** **Online Payment Processing (IPAY: ETFMG Prime Mobile Payments ETF)**	Each part of our "What To Buy" series have become more granular, and that trend is continuing today with the final installment of the series. Part One focused on broad sectors. Part Two identified larger industries that should benefit over the longer term from changes in consumer behavior from the coronavirus experience. **Now, Part Three 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.**	**4/21/2020**	**SKYY: 57.81% SHOP: 80.91% GDDY: 31.35% IPAY: 63.54%**	**SPY: 34.52%**

Sevens Report Alpha Fund & Stock Ideas

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Three Strategies for a "U" Shaped Recovery **Preferreds: PGF (Invesco Financial Preferred ETF)** **Dollar Stores/Fast Food: DG: (Dollar General), DLTR: (Dollar Tree), MCD: McDonalds** **Consumer Staples: RHS (Invesco S&P 500 Equal Weight Consumer Staples ETF).**	Markets are pricing in a pretty high chance of a "V-shaped" economic recovery, but we think it's prudent to have a playbook for a less optimistic, "U-shaped" economic recovery that has the U.S. economy mired in slow growth for some time. So, in this issue, we wanted to identify proven sectors and stocks that are likely to thrive if the economic recovery is more restrained, i.e. U-shaped. The following research achieves that goal by identifying areas that have proven resilient under previous recessions and periods of slow growth, and are likely to continue to thrive in that environment.	**5/5/2020**	**PGF:** **9.79%** **DG:** **15.80%** **DLTR:** **38.51%** **MCD:** **20.23%** **RHS:** **13.77%**	**SPY:** **34.53%**
Finding the Sweet Spot of Yield, Duration and Quality in Today's Bond Market **JPST (J.P. Morgan Ultra-Short Income ETF)** **FTSD (Franklin Liberty Short Duration U.S. Government ETF)** **IGSB (iShares Short-Term Corporate Bond ETF)**	Global bond yields have collapsed since the coronavirus crisis began in earnest in mid-February, and that leaves advisors with a difficult situation of **where to find adequate yield without taking on too much duration risk.** Case in point, the 10-year yield is yielding about 0.70%. A .70% annual coupon for locking up money for 10 years! Absolute yield levels are obviously historically low, but we've still got to do the best we can in this environment, and that means finding the best yield possible while limiting duration risk and credit quality risk.	**5/19/2020**	**JPST:** **0.77%** **FTSD:** **0.23%** **IGSB:** **2.18%**	**SHY:** **-0.29%**
Finding Sustainable Dividends In An Uncertain Environment **NOBL (ProShares S&P 500 Dividend Aristocrats ETF),** **DGRO (iShares Core Dividend Growth ETF).** **TDIV (First Trust NASDAQ Technology Dividend ETF).**	This issue is all about finding sustainable dividends that income investors can count on in all market conditions, because the simple reality is that most bond yields just aren't high enough to generate the required income for clients. That means identifying companies that have sound balance sheets, track records of methodical dividend growth, and business models that are likely to survive even the	**6/2/2020**	**NOBL:** **16.20%** **DGRO:** **14.96%** **TDIV:** **19.40%**	**SPY:** **19.25%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Three Strategies to Gain Exposure to 5G **Strategy 1: The Chipmakers. QCOM (Qualcomm), MRVL (Marvel Technologies).** **Strategy 2: Radio Frequency Providers. QRVO (Qorvo).** **Strategy 3: The 5G ETF. FIVG (Defiance Next Gen Connectivity ETF).**	The focus of today's issue came from a subscriber request: **5G.** 5G is one of the biggest secular growth trends in the market, and by that, I mean trends that will continue in a positive direction regardless of what happens in the economy in the near term. Additionally, 5G is one of the most popular investing topics among regular investors, so we thought now would be a good time to do a "deep dive" in 5G and detail:	**6/30/2020**	**QCOM:** **64.29%** **MRVL:** **29.02%** **QRVO:** **42.05%** **FIVG:** **20.48%**	**SPY:** **19.62%**
Finding Value in European Equities **VGK (Vanguard Europe ETF).** **FEZ (SPDR Euro STOXX 50 ETF)**	Coronavirus has finally caused the Europeans to aggressively stimulate the economies, and as long as that continues, that should provide a needed spark to help European equities outperform. Because of that positive change, we think European ETFs offer more attractive risk/reward than U.S. sectors that are considered "values," specifically financials, energy, and industrials. That's especially true given U.S. value styles have underperformed growth by as much as 66% over the past five years! We think a better choice is to look to Europe to fulfill the value component of a portfolio.	**7/14/2020**	**VGK:** **14.07%** **FEZ:** **11.65%**	**VTV:** **16.17%**
Actionable Strategies to Own COVID 19 Vaccine Producers **PPH: The VanEck Pharmaceutical ETF.** **GERM: The ETFMG Treatments Testing and Advancements ETF.**	In today's Alpha issue, we are **going to go in-depth on actionable investment strategies to gain exposure to the companies that are leading the COVID-19 vaccine race.** Specifically, in today's issue we take the broad research we covered in Thursday's webinar, enhance it, and get much more tactical (looking at investment strategies to get exposure to vaccine players). Specifically, we cover two actionable strategies that we think are appropriate for advisors and their clients: Strategy 1: Owning the Pharma Companies Leading the Vaccine Race. Strategy 2: Diversified Exposure via ETFs.	**7/28/2020**	**PPH:** **3.40%** **GERM:** **5.90%**	**SPY:** **14.86%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
What Outperforms in a Declining Dollar Environment **Falling Dollar Strategy 1: International Stocks. XSOE (WisdomTree Emerging Markets ex-State-Owned Enterprises Fund).** **Falling Dollar Strategy 2: Currencies. FXE. (CurrencyShares Euro Trust).** **Falling Dollar Strategy 3: Gold Miners. GDX (VanEck Vectors Gold Miners ETF).**	A sustained period of dollar weakness doesn't come along often (it last occurred in 2017) but when it does, it can create substantial outperformance in certain sectors and indices. We want to make sure you have a comprehensive "falling dollar" playbook for both general and tactical asset allocations, because the fundamentals for a sustained period of dollar weakness are as strong as they've been in years (surging U.S. debt/deficits and rebounding growth overseas).	**8/11/2020**	**XSOE:** **16.23%** **FXE:** **2.97%** **GDX:** **-10.42%**	**SPY:** **10.84%**
Ideas for When There's a COVID Vaccine Annoucement **JETS (U.S. Global JETS ETF)** **PEJ (Invesco Dynamic Leisure and Entertainment ETF)** **KBE (SPDR S&P Bank ETF)** **REZ (iShares Residential REITS ETF)**	I believe today's issue demonstrates why Alpha is the perfect complement to the daily Sevens Report, because early last week in the regular Sevens Report, we discussed broad sectors that would benefit and outperform if there is a positive announcement on a COVID-19 vaccine. **But, in today's Alpha issue, we follow up on that research and go much more in-depth to identify specific ETFs and stocks that:** • **Are outsized beneficiaries of a "return to normal" that likely will follow a successful vaccine** • **That are trading at historic discounts due to COVID 19 fallout and** • **Were good businesses before COVID 19, and likely will again be good businesses after the vaccine.**	**8/25/2020**	**JETS:** **30.05%** **PEJ:** **15.93%** **KBE:** **27.81%** **REZ:** **7.60%**	**SPY:** **7.20%**
Opportunities in the Electric Vehicle Batter Industry **ALB (Albemarle)** **SQM (Sociedad Quimica y Minera De Chile S.A. ADR)** **LIT (Global X Lithium & Battery Tech ETF)**	So, given this event, the anticipated media coverage of it, and the recent focus on TSLA, Nikola (the EV truck company), and other EV companies, we wanted to revisit the EV space and specifically the battery market, because it is undeniable the growth potential here is still very, very substantial. We explored the EV market three years ago when we first launched Alpha but much has changed in the industry since then, and with Battery Day looming, we wanted to revisit the industry, again with a specific focus on battery technology and the companies and ETFs associated with battery advancement – because battery capacity remains the key to the growth of the EV market.	**9/9/2020**	**ALB:** **1.82%** **SQM:** **7.91%** **LIT:** **10.21%**	**SPY:** **0.43%**

Sevens Report Alpha Fund & Stock Ideas

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Election Preview **Trump Wins** **Biden Wins** **No Clear Winner** **(Multiple ETFs Listed)**	We had long planned to release our Alpha Election Preview issue this week, as we knew that with the first debate a week away, investors focus would turn towards politics and we wanted to ensure you had a post-election roadmap, along with specific ETF ideas, for any election-related discussions with clients. But, that interest in the election will now be turbocharged with the surprise passing of Supreme Court Justice Ruth Bader Ginsberg. So, with six weeks to go until the election, we wanted to explore the three possible scenarios **(Trump wins/ Biden wins/No one wins right away)** and provide a tactical roadmap and identify ETFs that should outperform in each scenario.	9/22/2020	N/A	N/A
Finding Sustainable Growth in the Wellness Sector **PTON (Peloton)** **LULU (Lululemon)** **BRBR (BellRing Brands)** **BFIT (Global X Health & Wellness Thematic ETF)** **MILN (Global X Millenials Thematic ETF)**	Today's issue explores one of the sectors that we think will benefit from long-term changes in behavior from the pandemic: **The wellness sector.** Hopefully (and the data and history back this up) we are now closer to the end of the COVID-19 pandemic than we are the beginning, and once the pandemic ends, we believe life will return mostly to a pre-coronavirus normal. And we think that return to normal will disappoint very optimistic projections on some of the sectors that have outperformed due to COVID, like telemedicine, videoconferencing, widespread delivery, etc. But one sector we think can continue to see growth long after the world return to normal is the wellness sector, because this sector was experiencing substantial growth before the pandemic hit. And, the pandemic has just turbocharged that growth.	10/6/2020	PTON: 8.68% LULU: 7.66% BRBR: 19.75% BFIT: 9.94% MILN: 15.47%	SPY: 9.71%
SPACS **PSTH (Pershing Square Tontine Holdings)** **CCIV (Churchill Capital IV)** **SPAQ (Spartain Energy Acquisition Corp)** **SPAK (Defiance NextGen SPAC ETF)**	This issue was partially driven by client demand, **as we've started to field an increasing number of questions about SPACs from friends and colleagues (who are all clients of advisors), and given that, we believe that soon you may be asked by your clients about how to invest in a SPACs.**	11/3/2020	N/A	N/A

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Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Cyclical Rotation to Value **RSP (Invesco S&P 500 Equal Weight ETF)** **VTV (Vanguard Value ETF)** **RPV (Invesco S&P 500 Pure Value ETF)**	We scoured the universe of value ETFs and mutual funds to identify those that we think are "best of breed" and represent a cost-effective, alpha generating solution for any advisors who wants to rotate to value after the election. And, we were surprised by our findings – namely that higher fee, actively managed ETFs and mutual funds lagged the more traditional, passive value ETFs – and that keeping it simple in the value space yielded the best returns over the past several years.	11/3/2020	**RSP:** **12.12%** **VTV:** **10.84%** **RPV:** **15.99%**	**SPY:** **9.33%**
Four Post Election Tactical Strategies **Idea #1: Electric Vehicles & Clean Energy (LIT/ICLN/ESGV)** **Idea #2: Industrials & Infrastructure Spending (VIS/PAVE)** **Idea #3: Healthcare & Marijuana (VHT/MJ)** **Idea #4: Emerging Markets & China (XSOE)**	*What Specific Sectors and ETFs Can Outperform in a Biden Presidency/Divided U.S. Government?* That question was the inspiration for today's *Alpha* issue, because while election results have not been certified yet (that will start to happen in states later this week) the likelihood is that we will have a Biden Presidency and divided government in 2021 (with Republicans holding a small majority in the Senate). Reflecting that fact, I've been asked multiple times over the past week what would outperform in this political environment, so I imagine this topic has been coming up in client conversations – **and I want to make sure that you have the strategies and talking points you need to turn those conversations into opportunities to strengthen relationships.**	11/17/2020	**Eight Different ETFs Listed.**	
Bitcoin **GBTC (Greyscale Bitcoin Trust)** **BLOK (Amplify Transformational Data Sharing ETF)** **ARKW (ARK Next Generation ETF)**	This Alpha issue is focused on a suddenly popular topic: **Bitcoin.** Our goal with this issue isn't to sway you one way or the other to invest in Bitcoin. Instead, we want to help you guide responsible conversations about: 1. What it is and 2. Who it's for, and 3. How you can potentially own it within a conventional portfolio. Put more frankly, many of us "know" about bitcoin – but are we prepared to really discuss the inner workings of the cryptocurrency and thoroughly list and explain the responsible ways clients can gain exposure to it? **The point of this Alpha issue is to make sure we are all ready to do just that, so you can turn any bitcoin conversation into an opportunity to strengthen client relationships and grow your business.**	12/1/2020	**GBTC:** **-6.19%** **BLOK:** **-1.12%** **ARKW:** **7.17%**	**SPY:** **0.43%**