SEVENS REPORT *alpha*

June 15, 2021

In Today's Issue

- **Finding Conservative Growth and Income in Today's Environment. Part 2: Equities.** Today's Alpha issue is part two of our two-part series on how elderly clients can achieve safety and modest real returns in an environment where yields and inflation are rising and most real bond returns over the coming years will be negative.
- **Strategy 1: A "One-Stop Shop" Inflation Hedge. INFL: Horizon Kinetics Inflation Beneficiaries ETF**. INFL invests in domestic and foreign equity securities that are expected to benefit directly or indirectly from rising prices with a current makeup of 38 stocks in its underlying basket. INFL has nearly doubled the return of SPY since its debut.
- **Strategy 2: Focus On Dividend Growth. NOBL: ProShares S&P 500 Dividend Aristocrats ETF**. NOBL tracks the S&P 500 Dividend Aristocrats Index, which identifies companies that have consistently grown their annual dividends for more than 25 years. **DGRO: iShares Core Dividend Growth ETF.** DGRO has more broad exposure than NOBL, a 0.08% expense ratio, 2.05% yield, $19 billion in assets.
- **Strategy 3: Commodities and Natural Resources. MLPA: Global X MLP ETF**. MLPA provides no K-1 exposure to MLPs and currently sports a yield of more than 8%! **RLY: SPDR SSGA Multi-Asset Real Return ETF.** RLY owns other ETFs and that includes allocations to diversified commodity, natural resource stocks, infrastructure companies, real estate investment trusts, and even inflation protected Treasury securities.

Inflation and Rising Rates, Part 2

Our last issue of *Sevens Report Alpha* was geared around a subject that I know many of you are grappling with daily. The obstacle being how to put new and substantial cash to work for older clients with shorter time horizons and low risk tolerances.

The example of my 80-year-old mother-in-law cashing out of her real estate could just as easily be a high-net-worth client entering their retirement years or someone receiving a life insurance payout that is vital to their financial survival. Whatever the case may be, there are many real-world situations where capital must be conservatively managed without resorting to something like a fee-heavy annuity or yield-starved CD.

It is certainly one of the more challenging objectives to create sustainable growth and income in an environment where virtually all risk assets are trading near 52-week highs. The big run higher in stocks of nearly 90% in both the Dow Industrials and the S&P 500, and a gain of more than 105% in Nasdaq since the COVID pandemic lows in March 2020 provide a stark reminder of how high the stakes are at this juncture.

The old-school mentality of setting up a bond-heavy portfolio with some conventional high-yield stocks is not likely to generate the type of returns we have seen in prior decades. Particularly if retirees are sticking with something akin to a 4% withdrawal rate that easily gobbles up the meager income available today and may realistically eat into principal as well.

The twin demons of inflation and rising rates are drastically shifting the prognosis for a successful outcome unless you begin to make smart changes to your clients' asset allocation strategy. The worst thing you can do is stick to the conventional asset models with a "hope it works out" mentality.

One of the best pieces of advice I have ever received is: "hope is not an investment strategy." That adage remains as true today as it has been in decades past.

Our last missive concentrated on sensible ways to allocate the bond sleeve of your conservative income portfolio to combat these rapidly approaching threats. In this issue, we are going to round out the equity and natural resources plays that can create a diversified and harmonious balance. The goal being to generate sustainable income and growth that generates a real return above rising inflationary metrics and Treasury bond yields.

Will there be bumps and dips along the way? Of course. There is no way to perfectly time the bond and stock market reaction to these risks. However, with a sensible plan and consistent management style, you can create a glide path to long-term success that meets their indicated goals.

Stocking Up On Inflation Fighting Assets

One of the great things about stocks is that they are a natural inflation fighting asset class. The theory being that as the cost of goods and services rises, business models will adapt, and investors will be rewarded with positively correlated growth.

Thus, the first step in your path to beating inflation is to own some measure of stocks in your client portfolios. Historically this has meant something in the range of 20%-30% for a conservatively managed account with a low tolerance for price volatility. That allocation is most often designated towards a combination of low-cost total stock market index funds and potentially a few high-yield companies to generate spendable income for retirees.

That 20%-30% target is becoming increasingly important to review with your clients to determine if it will be adequate in meeting their goals. With traditional bonds and cash yielding so little and likely to be generating negative real returns for the foreseeable future, it should make sense to shift a little more towards equity or natural resource plays to pick up the slack. As an example, a client with a 25% target allocation to stocks would see meaningful benefit by shifting an additional 5%-10% towards these asset classes in an inflationary environment.

Having that conversation in advance and painting the picture of the current economic landscape will pave the way for a successful change in a client's portfolio targets. That modification is going to potentially introduce more price volatility, but the trade-off is overcoming these genuine threats to eroding wealth. It's a strategic advantage that also can enhance income in the short term as well.

Getting more nuanced with security selection is your next step. A core holding in a highly diversified and low-cost domestic equity ETF is a strong jumping off point but may not provide the market-beating advantage that your clients deserve. The solution to this dilemma is to consider unique holdings with tactical benefits aided by an inflationary tailwind.

Strategy 1: A "One-Stop Shop" Inflation Hedge

The first fund to look at actually is a relatively new fund that is already building an attractive value proposition. The **Horizon Kinetics Inflation Beneficiaries ETF (INFL)** debuted in January 2021 as an actively managed fund that seeks long-term growth of capital in real (inflation-adjusted) terms. Its stated objective is to invest in domestic and foreign equity securities that are expected to benefit directly or indirectly from rising prices.

The fund typically owns between 20 and 60 holdings with a current makeup of 38 stocks in its underlying basket. Top holdings at present include Texas Pacific Land Corp (TPL), Charles River Labs Intl (CRL), PrairieSky Royalty Ltd (PSK.T), Franco Nev Corp (FNV), and Wheaton Precious Metals Corp (WPM). The largest allocation (TPL) is just 6% of the total portfolio, which indicates the portfolio managers are targeting a diversified approach even with a more concentrated number of stocks. Their foremost picks are decisively precious metals and a real estate holding company focused as a method of achieving their primary objective. The remainder of the portfolio includes allocations to industries such as agriculture, materials, health care, and big data.

Murray Stahl, Founder, CEO, and Chief Investment Officer at Horizon Kinetics had this to say at the time of the fund launch earlier this year:

"This is our first ETF, and we are launching it because we see an urgent need for a mechanism for inflation protection in the market. For some time, I have seen signs that we are moving toward an inflationary environment, and this trend has been accelerating of late. Debt levels have continued to rise, and central banks are loathe to raise interest rates (for good reason). In our opinion, this leaves the creation of more money – inflation and currency debasement – as the most likely outcome. So, we are launching an ETF that seeks to be positioned to benefit in an inflationary environment. Importantly we do not think that inflation is required for the fund to perform well. Even if our expectation turns out to be incorrect, we think the lack of exposure to inflation beneficiaries in the major indexes could make the Fund a valuable diversification vehicle. It is actively managed, because, as we have written for years, indexes have had a tendency to become top-heavy over time, which decreases diversification in the index. We wish to have the ability to maintain the diversification that most investors believe that are getting when they invest in an index."

INFL charges a net expense ratio of 0.85% and has accumulated nearly $600 million in total assets to-date. Those metrics demonstrate impressive money flows for an actively managed stock ETF. Furthermore, daily trading volume of 532,000 shares on average indicate there is not a bespoke institutional benefactor elevating their cumulative asset totals. Real money is utilizing this ETF to access its strategic positioning and stock selection expertise.

The burgeoning track record is admittedly a small sample size, but already showing impressive results. INFL is tracking roughly double the returns of the market benchmark SPDR S&P 500 ETF (SPY) since its debut earlier this year. The fund recently hit new 52-week highs and continues to demonstrate a steady uptrend in its price pattern. Both signs that momentum buyers want to see in their analysis.

Horizon Kinetics Inflation Beneficiaries ETF (INFL)	
Inception Date:	1/11/2021
Assets:	$577M
Avg Daily Volume:	532K
Expense Ratio:	0.85%
# of Holdings:	40
YTD Return:	20.05%
3-Yr Return:	N/A
Mstar Rating:	N/A

INFL is unique in many ways and its own portfolio manager indicates that it is best used as an alternative diversifier for most accounts. It's going to have a high degree of active share (differentiated holdings) from conventional domestic equity indexes, which is part of how it will generate alpha for shareholders.

Advisors will have the most success with this fund by allocating a tactical portion of their portfolios to it with the expectation that it will serve a specific inflation fighting purpose.

Strategy 2: Focus On Dividend Growth

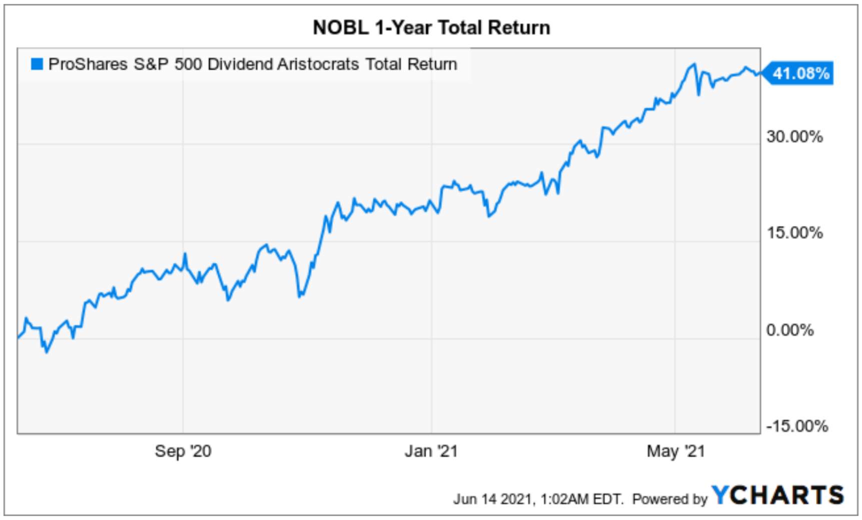
Another excellent way to capitalize on inflationary trends and shore up your income profile at the same time is to look at owning dividend growth stocks. The myriad of index-based ETFs dedicated to these stocks offer very similar objectives. Namely, to seek out companies with quality financial metrics that have also consistently increased their dividend streams over long periods of time.

That dividend enhancement factor indicates that the company is achieving dependable financial growth and is dedicated to returning profits to shareholders.

One of our favorite ways to invest in these long-term appreciating payout stocks is through the **ProShares S&P 500 Dividend Aristocrats ETF (NOBL)**. This fund tracks the S&P 500 Dividend Aristocrats Index, which identifies companies in the benchmark that have consistently grown their annual dividends for more than 25 years. Only 13% of holdings (roughly 64 stocks) in the S&P 500 can lay claim to these criteria. That makes for an exclusive club with stable earnings and quality fundamentals wrapped up in a fund with nearly $9 billion in assets.

ProShares S&P 500 Dividend Aristocrats ETF (NOBL)	
Inception Date:	10/9/2013
Assets:	$8.7B
Avg Daily Volume:	340.6K
Expense Ratio:	0.35%
# of Holdings:	66
YTD Return:	16.34%
3-Yr Return:	55.55%
Mstar Rating:	4 Star

Twenty-five years sounds like a lifetime, but the truth is that many of these stocks have demonstrated year-over-year dividend increases for more than four decades. Some of the largest holdings in NOBL at present include inflation fighting stocks such as Nucor Corp (NUE), Franklin Resources (BEN), Archer-Daniels Midland (ADM), and Albemarle Corp (ALB).



Analyzing the sector weights of this index paints quite a different picture compared to the large-cap U.S. market benchmark. Technology and healthcare make up the bulk of the S&P 500 with massive allocations to mega-cap stocks in these realms. NOBL tends to lean towards industrial, consumer staple, and materials stocks as the larger part of its makeup. It also tilts more towards stocks on the smaller end of the large-cap spectrum.

A unique aspect of the underlying NOBL portfolio is that the fund is equal weighted, with rebalancing activity occurring each quarter. Furthermore, its eligible constituents are only reevaluated on an annual basis. The strength of this system is that each holding has a similar impact on the overall performance of the fund and turnover or pivoting to new stocks is minimal. Most of these companies have committed to their dividend strategy for decades and are therefore expected to remain in the basket for quite some time.

The fund is currently sporting a 30-day SEC yield of 2.00% with income paid quarterly to shareholders. NOBL charges an expense ratio of 0.35%, which is modest in the realm of smart-beta ETFs. This makes it reasonable as a long-term core holding that can integrate well in virtually any income-oriented portfolio. It is diversified enough and has demonstrated historical beta characteristics that make it suitable as a core equity holding as well.

We know there are also those that are going to look at NOBL as being too narrowly focused or sector divergent versus a broad market benchmark. For those advisors, I would point you towards the **iShares Core Dividend Growth ETF (DGRO)** as an excellent substitution. It utilizes a similar year-over-year dividend growth screen that captures a wider array of nearly 400 stocks across the market-cap spectrum. With a 0.08% expense ratio, 2.05% yield, and $19 billion in assets, DGRO makes for a very solid index fund to utilize in all portfolio types.

Some of you may question why we omitted a high-yield dividend stock ETF for the purposes of maximizing income. The answer is that these indexes are typically filled with stocks in interest rate sensitive sectors such as utilities, real estate, and telecommunications. You can find this style of ETF yielding in the 3.40%-3.80% range, but the tradeoff may well be sub-par returns if rising Treasury yields act as a headwind for capital appreciation. In our opinion, a more balanced and sensible approach is to stick with high-quality dividend growth indexes that focus on sectors that are positively correlated with inflation.

Strategy 3: Commodities and Natural Resources

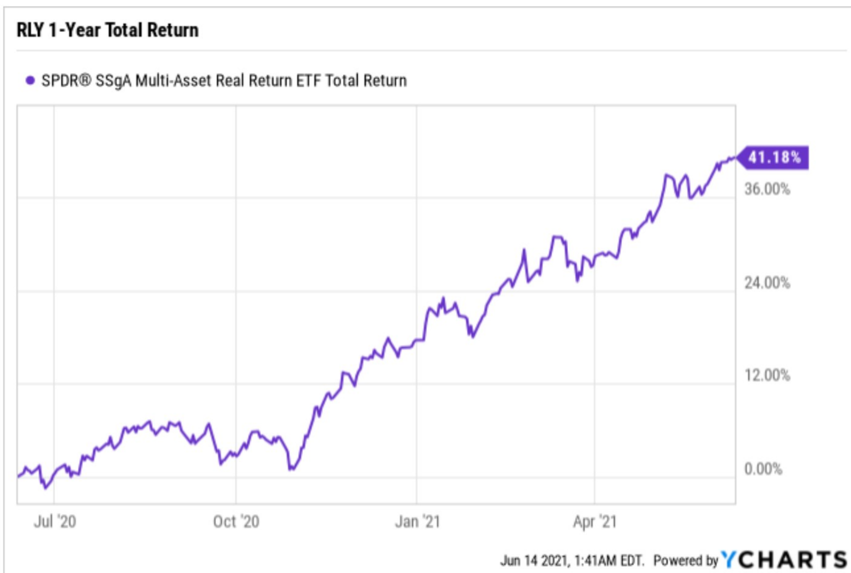
Playing off the natural resources theme is another excellent way to provide growth and income in a diversified portfolio as commodity prices appreciate. Over the last year, we have witnessed a broad-based rally across the commodity spectrum that includes energy, timber, precious metals, agriculture, and rare earth minerals. That uptrend works to support stocks that are engaged in the production and development of key resources in many manufacturing sectors.

Global economic indicators are all pointing towards expanding demand for these commodities and the Federal Reserve has even indicated it is willing to overlook inflation metrics in the near-term. That means investors need to be poised to take advantage of the rally by capitalizing on areas that offer attractive risk/reward characteristics. One area in particular that is finally coming out of a dark period of price stagnation are master limited partnerships, or MLPs.

Global X MLP ETF (MLPA)	
Inception Date:	4/18/2012
Assets:	$1.1B
Avg Daily Volume:	251.4K
Expense Ratio:	0.46%
# of Holdings:	21
YTD Return:	56.22%
3-Yr Return:	-1.88%
Mstar Rating:	2 Star

These unique vehicles offer exposure to the energy sector through a high-yield, equity-like security. Most MLPs operate a toll-road style infrastructure of pipelines, storage facilities, and transport for the oil and gas industry. Their business models and tax structures are such that they can pass through a great deal of their profits to shareholders in the form of dividends. This makes them coveted for both their unconventional returns vs. stocks and bonds, in addition to their healthy income streams.

One of our favorite funds to access this sector is through the **Global X MLP ETF (MLPA)**. This index fund tracks the Solactive MLP Infrastructure Index, which owns the 20 largest and most liquid midstream MLPs. That includes well-known names such as Enterprise Products (EPD), Energy Transfer Partners (ET), Magellan Midstream (MMP), and Plans All American (PAA).



There are several benefits to owning MLPA over other competing funds in this group. One of the foremost is that the total expense ratio of 0.46% is one of the lowest in the industry. Furthermore, there is no K-1 tax reporting with this vehicle as every shareholder is subject to conventional 1099 tax treatment like a standard equity income ETF.

MLPA just surpassed $1 billion in total assets and has been on a strong recovery streak along with the price of crude oil and natural gas over the last nine months. This ETF has gained more than 56% so far this year and continues to notch new 52-week highs on its upward trajectory.

MLPA pays quarterly income to shareholders and its most-recent dividend in May 2021 demonstrates an indicated yield of 8.01% annually. That combination of price appreciation as a halo effect of the energy rally, alongside one of the strongest yields in the marketplace, make for an attractive value proposition in yield-seeking portfolios. There is also a case to be made that MLPs act as a beneficial portfolio diversifier as their returns are historically uncorrelated with traditional stock and bond indexes.

The caveat with MLPs is that their price volatility can be difficult for more risk averse clients to endure in large percentages. As such, it may be prudent to size down the portfolio allocations for conservative accounts that are wary of drawdowns.

The last opportunity that should be given a high degree of consideration is a fund tailor made for an inflationary environment and natural resource rally.

The **SPDR SSGA Multi-Asset Real Return ETF (RLY)** is a fund we have recommended in the past and continually rises to the top of our buy list. There simply isn't a better option out there if you are looking for a single vehicle to own an all-encompassing portfolio of inflation-linked assets.

This ETF is based on the tried and true "fund of funds" structure whereby it owns other ETFs to meet its investment guidelines. That includes allocations to diversified commodity, natural resource stocks, infrastructure companies, real estate investment trusts, and even inflation protected Treasury securities. RLY doesn't follow a strict index, rather it is quantitatively managed by a group of portfolio advisers that help direct its security selection and asset positioning.

The performance of this ETF continues to underscore its value proposition as well. It has gained 20.04% since the start of 2021 and nearly 40% since the October 2020 lows. That run has been driven heavily by the surge in natural resource stocks and broad-based commodity prices, which make up more than 50% of the RLY portfolio.

RLY charges a gross expense ratio of 0.50% and has $125 million in assets under management. Its smaller size and relatively modest daily trading volume means that larger purchases or sales should be executed with limit orders to maximize your price efficiency.

This ETF also sports a 30-day SEC yield of 1.96% with dividends paid quarterly to shareholders. That income component is a welcome addition to a more conservative portfolio style that needs to bolster its yield-generating assets.

The upside of using RLY is that you own virtually all inflation-linked assets in a single fund. This enhanced diversification will create smoother performance over long cycles as the varying components counterbalance each other.

Conclusion

When you step back and view these recommendations from a macro standpoint, the thing that stands out most is how important diversification will be to generating meaningful returns. This shotgun approach will help spread capital over a wide array of sectors to ensure a balanced and sensible portfolio strategy.

It's likely that investors won't be able to count on high-quality bonds as the safety net they once were to balance out stock and commodity volatility. As such, utilizing smart vehicles to deploy capital in several relevant asset classes will help alleviate the primary risks of rising rates and inflationary pressures.

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: 74.02%	SPY: 83.79%
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: 95.17% ROBO: 69.62% AMBA: 130.50% QCOM: 23.20% (closed)	SPY: 81.04% 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: 100.50% ALB: 32.48%	SPY: 81.04%
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: 51.17% SMDV: 26.86%	AGG: 14.71% MDY: 57.86% IWM: 61.37%
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: 12.46% MNA: 11.71%	AGG: 14.47%

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:** **7.70%**	**ACWX:** **30.88%**
"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:** **13.07%** **EMLC:** **1.68%** **EBND:** **3.60%** **AGEYX:** **18.59%**	**AGG:** **15.00%**
"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:** **176.50%** **BLCN:** **106.50%**	**SPY:** **60.40%**
"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:** **18.21%** **TOTL:** **12.41%** **FTSL:** **13.70%**	**AGG:** **16.93%**

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: 9.38%	BIL: 3.93%
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: 40.95%	ACWX: 27.72%
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: 16.33%	SPY: 65.62%
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: 26.65% DLS: 11.98%	EFA: 26.90%
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: 193.30%	SPY: 65.03%
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: 69.61%	SPY: 66.30%
"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: 72.08%	EEM: 36.98%

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: 47.05%	IWM: 41.86%
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: 145.70% FINX: 69.54% IPAY: 73.54%	SPY: 58.15%
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: 5.22% USFR: 3.38% SRLN: 13.41% EFR: 22.35%	AGG: 16.05%
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: 71.19% IEME: 52.34% XLC: 68.56% DIS: 61.31%	SPY: 55.91%
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: 32.16% SBIO: 33.81% FXG: 29.28%	SPY: 53.65%

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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: 12.45% GNR: 24.28% RLY: 21.43%	DBC: 13.19%
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: 3.72% LDUR: 9.33% MINT: 5.30%	BIL: 2.85%
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: 40.97% PTLC: 32.01%	SH: -46.16%
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: 8.64% MLPA: 3.39% DCP: 18.94% SHLX: 10.54%	SPY: 64.03% AMLP: 1.74%

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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: 28.20%	VTV: 34.49%
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: 49.17%/20.49% ITB/VNQ: 103.2%/32.70% DFE: 39.08%	SPY: 59.86%
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: 64.91%	SPY: 69.32%
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: 14.53% VRP: 19.18% PFXF: 20.90%	PFF: 16.82%
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: 24.93% NRG: -7.54% CNP: -7.93%	XLU: 27.50%

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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: 57.63% CIBR: 68.69% FTNT: 165.20% CYBR: 31.14%	QQQ: 100.80%
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: -36.12% ACB: -89.95% CGC: -46.32%	SPY: 57.73%
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: 65.74%	SPY: 56.16%
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: 31.58% CCOR: 14.13% JHEQX: 33.42%	SPY: 52.76%

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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: 168.10% ARKG: 174.60% XITK: 102.70%	QQQ: 82.89%
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: 56.23% XBI: 61.68% IHF: 61.36%	XLV: 45.33%
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: 26.98% SPLV: 18.73% EEMV: 21.99% EFAV: 14.57%	SPY: 53.16%
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: 9.68% OHI: 23.44% SCI: 24.55%	SPY: 56.50%

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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: 30.80% SGOL: 31.41% GDX: 48.65% KL: -0.42% FNV: 78.30%	
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 38.69% SPMO: 34.98% FDMO: 30.55%	SPY: 41.22%

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Profit from the Sharing Economy **MILN (The Global X Funds/Millennials Thematic ETF)** **GIGE (The SoFi Gig Economy ETF)**	*Inspiration for the issue came from this comment, which I believe is a profound statement on the next evolution of the economy.* *"Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world's largest accommodation provider, owns no real estate. Something interesting is happening." Tim Goodwin The Batter Is For The Consumer Interface.* *Each of those companies are part of the new "sharing economy."* *In addition to profiling two ETFs, we also created our own "Watch List" of sharing economy companies that describes 1) What they do and 2) How they make money, so you have a clear view of the entire "Sharing Economy" universe.*	**7/30/19**	**MILN:** **61.40%** **GIGE:** **86.05%**	**SPY:** **40.76%**
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:** **15.17%** **VNQI:** **5.98%** **REZ:** **8.26%** **REM:** **-9.77%**	**SPY:** **46.55%**
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:** **2.84%** **PPA:** **16.31%** **UFO:** **25.78%**	**SPY:** **47.54%**

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Japanization Playbook **PTCIX (PIMCO Long Term Credit Bond Fund)** **VYM (Vanguard High Dividend Yield ETF)** **PDI (PIMCO Dynamic Income Fund)**	Given the slowing of the global economy, we are now at a fork in the road, where global economic stimulus will either work, like it did in 2016 and spur a big rally, or it will not, like what happened in Japan in the 1990s. We spent an entire *Alpha* issue detailing a what will outperform and underperform in that scenario, so that if it happens, we know what to do.	**9/10/19**	**PTCIX: 12.79%** **VYM: 26.76%** **PDI: 8.99%**	**SPY: 46.51%**
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: 176.30%** **FAN: 72.45%** **ICLN: 113.00%** **PBW: 219.70%**	**SPY: 50.67%**
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: 44.83%** **FIW: 46.83%**	**SPY: 45.47%**

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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:** **39.28%** **HTD:** **7.32%** **PDI:** **3.14%** **NZF:** **13.29%** **FFC:** **17.48%** **RQI:** **23.25%**	**SPY:** **40.52%**
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:** **4.24%**	**BIL:** **0.42%**

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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:** **31.37%** **XOP:** **6.04%** **LQDH:** **2.74%**	**SPY:** **34.46%**
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:** **24.34%** **VIGI:** **23.73%** **GSIE:** **20.94%**	**ACWX:** **21.69%**
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:** **39.43%** **VBK:** **41.40%** **XSLV:** **-1.84%**	**IWM:** **42.18%**
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:** **31.69%** **SBIO:** **17.01%** **XBI:** **41.04%**	**SPY:** **26.26%**

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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:** **25.04%** **CCOR:** **6.14%** **JHEQX:** **28.09%**	**SPY:** **46.78%**
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:** **97.27%** **IBUY:** **194.90%** **JHCS:** **69.97%** **XITK:** **122.20%**	**SPY:** **59.63%**
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:** **76.94%** **SHOP:** **122.90%** **GDDY:** **32.34%** **IPAY:** **82.04%**	**SPY:** **55.04%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: 7.09%** **DG: 19.47%** **DLTR: 30.49%** **MCD: 31.34%** **RHS: 24.31%**	**SPY: 47.98%**
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: 0.65%** **FTSD: -0.38%** **IGSB: 1.80%**	**SHY: -0.44%**
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 worst pandemic scenarios.	**6/2/2020**	**NOBL: 34.93%** **DGRO: 31.81%** **TDIV: 40.59%**	**SPY: 37.44%**

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: 52.69% MRVL: 54.72% QRVO: 67.83% FIVG: 39.70%**	**SPY: 38.91%**
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: 36.44% FEZ: 34.04%**	**VTV: 38.90%**
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: 18.44% GERM: 23.07%**	**SPY: 33.35%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
<u>What Outperforms in a Declining Dollar Environment</u> **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:** **28.85%** **FXE:** **2.47%** **GDX:** **-2.23%**	**SPY:** **28.66%**
<u>Ideas for When There's a COVID Vaccine Annoucement</u> **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 <u>outsized beneficiaries of a "return to normal"</u> that likely will follow a successful vaccine** • **That are <u>trading at historic discounts</u> due to COVID 19 fallout and** • **Were <u>good businesses before COVID 19</u>, and likely will again be good businesses after the vaccine.**	**8/25/2020**	**JETS:** **47.89%** **PEJ:** **62.83%** **KBE:** **65.61%** **REZ:** **39.44%**	**SPY:** **24.44%**
<u>Opportunities in the Electric Vehicle Battery Industry</u> **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, <u>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.</u> 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 – <u>because battery capacity remains the key to the growth of the EV market.</u>	**9/9/2020**	**ALB:** **1.82%** **SQM:** **7.91%** **LIT:** **10.21%**	**SPY:** **0.43%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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:** **0.91%** **LULU:** **2.13%** **BRBR:** **38.68%** **BFIT:** **30.40%** **MILN:** **32.80%**	**SPY:** **27.40%**
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**

Sevens Report Alpha Fund & Stock Ideas

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:** **34.63%** **VTV:** **30.81%** **RPV:** **51.34%**	**SPY:** **25.99%**
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:** **40.82%** **BLOK:** **57.28%** **ARKW:** **6.12%**	**SPY:** **15.65%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Four Strategies That Outperformed in 2020 and Can Do It Again in 2021 **Long Term Pandemic Tech Opportunities (IBUY/XITK)** **New Wave of Online Payments/E-Commerce (IPAY)** **5G Revolution (FIVG)** **EV Batteries (LIT)**	2020 has created fantastic growth in certain sectors and industries, and stocks and ETFs linked to them have produced huge YTD returns. But, while looking back on what worked is helpful, especially at year-end, we wanted to identify those sectors that not only have outperformed, but that can continue to outperform in 2021. So, 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.**	**12/15/2020**	**IBUY:** **13.28%** **XITK:** **5.84%** **IPAY:** **9.73%** **FIVG:** **13.89%** **LIT:** **24.67%**	**SPY:** **14.53%**
Two Playbooks for 2021	As our focus now turns from 2020 and towards 2021, I believe we always must be prepared for two outcomes – the expected, and the unexpected. So, in this Alpha issue, we wanted to provide two ETF playbooks: **The expected "Return to Normal" trade, and the Contrarian Scenario.** Playbook 1. What's Expected: The "Return To Normal" Trade. The perfect storm being high economic confidence, vaccines rolling out to vulnerable groups, low-interest rates, and further government stimulus in the first quarter. That paints the perfect picture for capitalizing on beaten-down areas of the economy that are ripe for further expansion. Playbook 2: The Unexpected: A Contrarian Scenario. A scenario where things just don't work as planned. Perhaps inflation exceeds all norms, Treasury yields shoot up unexpectedly, geopolitical disruption intercedes, or the economic recovery just simply falls short of expectations.	**12/29/2020**	**Multiple ETFs across both strategies**	
Energy Transmission (The Picks and Shovels of the EV Gold Rush) **First Trust NASDAQ Clean Edge Smart Grind Infrastructure Index Fund (GRID)** **NextEra Energy (NEE)** **EV Charging Basket: Tesla (TSLA), ABB Ltd (ABB), Eaton Corp (ETN), Blink Charging (BLNK)**	Energy (and the transmission of energy) are the proverbial "picks and shovels" of this modern-day EV gold rush. Electricity demand is likely going to skyrocket for households that will be transitioning to electric and hybrid vehicles in the next decade. More advanced battery systems constantly needing to be plugged in and recharged are going to tax the current electric utility network capacity while growth in EV sales will also propel a nationwide surge in charging stations, similar to the rollout of gas stations in the early 20th century.	**1/12/2021**	**GRID:** **5.29%** **NEE:** **-6.88%**	**SPY:** **12.39%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
How the "Old Economy" Can Help Us Outperform **Invescro Dow Jones Industrial Average Dividend ETF (DJD)** **First Trust Morningstar Dividend Leaders Index Fund (FDL)** **Invesco S&P 500 Pure Value ETF (RPV)**	Looking for value in "Old Economy" stocks is a strategy that prioritizes stocks that are still well off their all-time highs, have proven and sustainable business models, and many of which pay hefty dividends. Additionally, these industries are as familiar and comfortable as a warm blanket to your mature, high net worth client base and these investment ideas are perfect for the tech skeptics that prioritize value characteristics, low leverage, and high dividends.	**1/26/2021**	**DJD:** **15.84%** **FDL:** **15.53%** **RPV:** **23.91%**	**SPY:** **10.92%**
Market Myth Busting	• **Investment Myth 1: Investing and Politics Go Hand in Hand.** • **Investment Myth 2: Modern Monetary Theory Is A Reason to Get Out Now.** • **Investment Myth 3: Getting Out Because the Market is in a Bubble.** • **Investment Myth 4: Rising Rates Are Going to Wreck My Portfolio.** • **Investment Myth 5: The Falling U.S. Dollar Is Eroding My Purchasing Power.**	**2/9/2021**		
Inflation Playbook **Core Inflation Plays (SGOL/PDBC/GNR/RLY)** **U.S. Sector Opportunities (RTM/RGI)** **Income Opportunities (BKLN/JAAA/STIP)**	Today's issue is focused on inflation because suddenly accelerating inflation could be a game-changer for many investors and advisors, **and we want to arm you with the best-in-class tools to combat inflationary effects in your portfolios.** Point being, higher inflation is almost certainly coming in the future, and **I wanted to take this Alpha issue to provide a clear, decisive "Inflation Playbook" that we can keep and reference for when statistical inflation starts to accelerate.**	**2/23/2021**	**PDBC:** **1.53%** **GNR:** **1.41%** **RTM:** **2.54%** **JAAA:** **0.03%**	**SPY:** **-0.50%**
ARK Invest ETFs **ARKK (ARK Innovation ETF)** **ARKG (ARK Genomic Revolution ETF)** **ARKW (ARK Next Generation Internet)** **ARKF (ARK Fintech Innovation ETF)** **ARKQ (ARK Autonomous Technology & Robotics ETF).**	I wanted this Alpha issue to provide an updated "deep dive' into the ARK Invest ETF offerings, because even considering their huge returns over the past few years, I still believe now what I believed when we first recommended them: **That these ETFs are "one-stop shopping" for investors get targeted exposure to the leading edge of the technology growth curve, and that investors should have exposure to the technologies in which ARK ETFs invest because the long term return potential is extreme.**	**3/9/2021**	**ARKK:** **2.47%** **ARKG:** **5.01%** **ARKW:** **2.13%** **ARKF:** **2.91%** **ARKQ:** **2.98%**	**QQQ:** **2.44%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
What Should I Buy on This Tech Decline? **Invesco S&P 500 Equal Weight Technology ETF (RYT).** **VanEck Vectors Semiconductor ETF (SMH).** **First Trust NASDAQ Technology Dividend Index Fund (TDIV).**	If a client comes to you and asks, "What Should I Buy on this Tech Decline?" we want to make sure you have a set of ETFs that provide exposure to **solid, proven tech companies that aren't trading at sky-high valuations** because for the last several decades buying core, large cap tech stocks on any sustained underperformance has been a very profitable long-term strategy.	3/23/2021	RYT: 5.55% SMH: 8.79% TDIV: 4.16%	SPY: 2.84%
Sector Winners and Losers from the Democratic Policy Agenda **Global X Millennials Thematic ETF (MILN)** **Vanguard Tax-Exempt Bond ETF (VTEB)** **Global X U.S. Infrastructure Development ETF (PAVE)** **First Trust NASDAQ Clean Edge Green Energy Index Fund (QCLN)**	Throughout most of the first quarter, markets embraced Democrat control of the government because it meant massive stimulus, and that expectation has been met. However, now the focus is turning to less growth-friendly policies, including potentially higher taxes and increased regulation. While these policies will impact the markets broadly, they'll also impact specific sectors even more than the broad markets. So, we want to arm you with the tools for identifying and deploying to areas of the market that should experience positive effects during this political environment, and know which sectors stand to get hurt given potential policies from Washington.	4/6/2021	MILN: 1.08% VTEB: 0.77% PAVE: 0.67% QCLN: -6.88%	SPY: 2.08%
Four Small Cap ETFs for the Economic Recovery **Invesco S&P Small Cap Consumer Discretionary ETF (PSCD)** **First Trust Consumer Staples AlphaDex Fund (FXG)** **Invesco S&P SmallCap 600 Revenue ETF (RWJ)** **iShares Morningstar Small-Cap Value ETF (ISCV)**	Much of the "economic reopening trade" has been focused on large travel and leisure companies, and many of those names have seen huge gains over the past year. But they are now saddled with massive debts and ballooning capital structures that could be headwinds on investor returns going forward. **Many smaller stocks, however, were able to utilize government programs (PPP and others) to recapitalize healthily over the past year and those that have survived to this point are now in an extremely favorable position to capture future opportunities as the economy reopens.** So, we want to make sure you know which ETFs can give you exposure to quality small-cap companies that are 1) Financially sound, 2) Exited the pandemic with their business intact, 3) Stand to benefit from an acceleration in the economy, and 4) Could see earnings surge as the economic reopening continues.	4/20/2021	PSCD: 6.43% FXG: -0.23% RWJ: 6.18% ISCV: 5.29%	IWM: 3.44%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
The Crypto Craze Updated **Grayscale Bitcoin Trust (GBTC)** **Grayscale Ethereum Trust (ETHE)** **Coinbase Global (COIN)** **Voyager Digital (VYGVF)**	If you are like me, you have seen interest in the entire crypto space increase over the past several months. So, we wanted to take this Alpha issue **to provide an updated primer on the crypto industry and ensure you have got the advisor-focused research you need to turn any crypto-related client or prospect conversations into opportunities to grow your business.**	**5/18/2021**	**GBTC:** **-2.36%** **ETHE:** **-24.69%** **COIN:** **-0.47%** **VYGVF:** **-5.95%**	**SPY:** **2.77%**
Fixed Income Playbook in Today's Environment Strategy 1: Inflation Protection. Quadratic Interest Rate Volatility and Inflation Hedge ETF. (IVOL). Strategy 2: Variable Rate Preferreds (VRP). Strategy 3: Floating Rate Notes (Two ETFs). Strategy 4: Shorten Duration (Four ETFs).	How do clients, especially elderly clients, achieve safety and modest real returns in an environment where yields and inflation are rising and most real bond returns over the coming years will be negative? We want to tackle this problem and provide ETF solutions that can help clients achieve the dual goals of 1) Safety and 2) Real returns over the coming years. To do that, we've divided this Alpha issue into two parts. Part One (today's issue) is focused solely on solutions in the fixed income markets.	**6/2/2021**	**IVOL:** **-0.94%** **VRP:** **0.34%**	**SPY:** **1.10%**