SEVENS REPORT *alpha*

September 7, 2021

In Today's Issue

- In this Alpha issue, we examine the strategies and sectors that will benefit from society learning to "live" with COVID over the medium and longer term, as the persistence of the virus will cause more permanent adoption of some pandemic era behaviors. That should lead to some attractive investment opportunities.
- **Idea 1: mRNA Vaccine Exposure. MRNA Vaccine Stocks: BioNTech (BNTX) and Moderna (MRNA). Vaccine ETFs: VanEck Biotech ETF (BBH), ETFMG Treatments, Testing & Advancements ETF (GERM).** BBH is the more established ETF with $600 million in AUM and exposure to 24 biotech stocks, of which MRNA and BNTX are in the top three.
- **Idea 2: Digital Medicine. Global X Telemedicine & Digital Health ETF (EDOC).** EDOC combines telemedicine, healthcare analytics, connected devices, and digital administrative exposure. It is based on a smart-beta index that selects 40 global companies and no single holding contains more than five percent of the total portfolio allocation
- **Idea 3: The Online Economy. Amplify Online Retail ETF (IBUY).** The fund has notched a total return of 122% and 323% on three- and five-year time frames, respectively, but is essentially flat YTD.
- **Idea 4: Consumer Staples & Dividends. VanEck Vectors Morning Star Durable Dividend ETF (DURA).** DURA has gained 14.3% over the past year vs. just 9% for pure consumer staples, and it sports a near 3% dividend yield, well above the yield for XLP.

What to Do If COVID is Here to Stay

I'm a parent of a 4th grader, and like many parents we spent the majority of our summer break expecting a "normal" school year that looked a lot more like 2019 than 2020. Well, just before this issue went to print, my child's entire class went into COVID quarantine… again.

When I found this out, my instinctive reaction was just to let out a big, audible groan that said, "What a mess!" After that exasperated response, I took a look at the bright side of this issue (if one could call it that) and thought to myself, "The timing of our latest Alpha issue is perfect!"

I say that, because this issue is all about how to approach the reality that we all face today, and that is the persistent and pernicious spread of COVID-19 throughout the country. Indeed, the Delta variant has proven itself an extremely contagious mutation of the original form of SARS-CoV-2, and its existence here in the United States and abroad has changed the expectation for when life would return to a pre-pandemic "normal."

The reality here is that Delta and the very real possibility of future variants, that may be even more pernicious, is changing the narrative on COVID from the perception of the virus being functionally eradicated by vaccines and public safety measures to one of an endemic cycle akin to the seasonal flu. In fact, it's becoming increasingly likely that the spread of these variants could be analogized to a game of whack-a-mole, where one is stamped out only to see another spike up in a different region of the country.

We have already witnessed this cycle play out several times throughout the pandemic. A hot spot starts on one coast and then gradually makes its way across the country as the spread propagates. Many public health experts had predicted that the widely available distribution and high efficacy rates of vaccines would stomp out the pandemic permanently. However, realists will agree that this optimistic scenario appears to be increasingly farfetched as a short-term outcome.

Now to be clear, we aren't making the assertion that COVID can't be eradicated or that this is the new normal forever. It's simply a rational conclusion derived by examining case data, government policy, and social behavior over the last six months since the rollout of vaccines. The solution to this problem won't be swift and the healthcare approach is likely to change as we adapt to the virus' fickle nature.

Our job as a fiduciary and steward of essential nest eggs is to recognize this development and continue to fine tune our portfolios with this "COVID is here to stay" environment. In fact, the sooner you speak with your clients about this picture, the more astute you will look in terms of being a forward-thinking professional. There is no doubt they are harboring the same fears and wondering how you are going to continue to steer the ship in response.

Several factors that are sure to drive this landscape if the virus is here to stay include:

- Biotechnology companies and particularly vaccine manufacturers will be tasked to provide long-term virus-fighting solutions. The latest recommendations on COVID-19 booster shots are the next phase of the public health strategy.
- Remote and digital healthcare services are going to be increasingly adopted to meet community medical needs. Many general questions or diagnoses of minor ailments can be solved with this technology.
- Consumer behavior has already shifted heavily towards online discretionary spending, delivery networks, and remote work/school solutions. These are likely to remain as essential resources for both business and personal use.
- Consumer staples companies that produce cleaning products, protective equipment, and purifying agents will experience consistent demand.

The pandemic has accelerated the growth of these industries, and many have experienced exponential share price appreciation in kind over the last 15 months. We don't expect that triple-digit annual returns are going to be a lock from these lofty levels. However, there should be a rising tide of steady sales and earnings growth that is fundamentally supported by the unintentional long-term effects of the virus.

The low-volatility environment of steadily rising prices is another dynamic that we expect to shift soon and that advisors should be talking about with clients. There is a mounting expectation that the Fed will begin to reverse course on its latest round of quantitative easing policies, which could have a marked impact on momentum.

The slow-and-steady uptrend of stocks over the last year is likely to experience some near-term turbulence that can be used for opportunistic purchases of new positions. The following are areas of the investment landscape that we feel will continue to thrive under the auspices of a prolonged virus entrenchment.

Investment Idea 1: Vaccine Stocks

We did a dedicated issue on vaccine stocks in July 2020 in the middle of the race to an effective COVID-fighting solution. That report touched on several companies that ultimately brought successful products to market such as Pfizer, BioNTech, Moderna, Johnson & Johnson, and Astra Zeneca. Now that these companies have the right formula and production in place, there is a long tail of demand that is expected to result in sustainable earnings growth.

The mRNA companies in particular have seen a remarkable jump in their quarterly sales when compared to a pre-COVID existence. In Q3, 2020, BioNTech SE ADR (BNTX) recorded just $45 million in total revenue with nearly double that amount in net losses. The same period in 2021 realized an astronomical increase of quarterly revenue to $6.4 billion with an impressive net income of $3.36 billion.

The tale of Moderna Inc (MRNA) is almost the exact same. The company has demonstrated exponential growth in its sales as a direct result of its vaccine production and it's not liable to slow down any time soon. These stocks have transformed from cash-burning biotech firms with uncertain futures into one of the stronger momentum areas in the healthcare space. There is no doubt that mRNA vaccine technology is here to stay.

These quality fundamentals have translated to meaningful gains for investors as both stocks have soared approximately 500% over the last year. Their momentum has largely been driven by expectations for the current crop of vaccines to stamp out the pandemic for good. Therefore, it's natural we are seeing some pullback in share prices as the narrative shifts to variants slowing progress in defeating the virus.

As you can see on the chart, the price patterns of these stocks have been volatile and are likely more suitable for aggressive investors with long-term time horizons. They are going to carry higher-beta characteristics than the general stock market bellwethers and will also see prices fluctuate with headlines concerning positive or negative aspects of COVID vaccine outcomes. These stocks are best to own for clients that can disconnect themselves from the day-to-day fluctuations and focus on the opportunistic narrative.

It should also be noted that the long-term growth story with these stocks shouldn't be shackled to COVID alone. There are quite a few new treatments currently in development that are based on mRNA technology. The real-world success of these COVID formulas has now created a public perception of trust that should act as a cornerstone for future biomedical trials.

For those clients that are interested in pursuing this theme, but don't want to put all their capital in just two companies, there are several diversified ETFs to consider as well. Two that have high allocations to both MRNA and BNTX are the **VanEck Vectors Biotech ETF (BBH)** and **ETFMG Treatments Testing and Advancements ETF (GERM)**.

BBH is the more established of the two with nearly a decade of trading history, $600 million of assets, and charges a sensible expense ratio of 0.35%. It contains exposure to 24 biotech stocks, of which MRNA and BNTX are in the top three. Together they represent nearly 17% of the total BBH portfolio. Over the last year, BBH has gained 43% as compared to 34% in the S&P 500 Index.

GERM is a newer fund that we initially previewed in our dedicated vaccine report. Over the last 12 months, it has attracted just shy of $70 million in total assets dedicated to a group of 77 holdings involved in the infectious disease field. MRNA and BNTX are the top two holdings in this thematic portfolio with a combined weighting of 19% at current prices. GERM has jumped nearly 83% over the last year as it tracks the path of these biotech stocks to new all-time highs.

Either solution can be utilized as a tactical allocation strategy within a diversified portfolio to tilt towards growth-oriented companies in the healthcare sector.

Investment Idea 2: Digital Healthcare

The digital healthcare revolution is another underappreciated aspect of the pandemic that has transformed the way we interact with medical providers. The ubiquitous nature of mobile phones, computers, and the internet have laid the foundation for healthcare service professionals to communicate with patients remotely via cloud-based platforms. Additionally, the aging nature of the hospital and administrative technology space has proven that additional infrastructure is needed to properly safeguard medical records.

Global X Telemedicine & Digital Health ETF (EDOC)	
Inception Date:	7/29/2020
Assets:	$632M
Avg Daily Volume:	272.35K
Expense Ratio:	0.68%
# of Holdings:	43
YTD Return:	-2.23%
3-Yr Return:	21.11%
Mstar Rating:	N/A

The global telemedicine market increased 35% from 2019 to 2020, exceeding $55 bn. Forecasts suggest the market could reach nearly $300bn by 2028. Furthermore, in 2019, an estimated half of the global population lacked essential healthcare services. As more underserved markets gain broadband access, telemedicine offers vast opportunity to bridge the divide.

In April 2021, 44% of Medicare primary care visits were done via telehealth, compared with less than one percent (0.1%) in February before the COVID public health emergency, according to the U.S. Department of Health and Human Services. Keep in mind that Medicare is the nation's largest insurer. If they are embracing and paying for patients to use this technology, it's going to continue to propagate throughout the healthcare field.

The quote I like to cite is "That we advanced 10 years in telehealth progress in the course of 10 weeks, and it's pretty accurate," said Colin Banas, MD, chief medical officer of healthcare software company DrFirst, which helps connect patients to health care providers. "I think a lot of this would have taken a lot longer had it not been for the crisis." (source)

There are numerous individual stocks in this space from Teladoc Health Inc (TDOC) to Agilent Technologies (A) and United Health Group (UNH). The common thread between these publicly traded companies is that they are all prominently represented in the **Global X Telemedicine & Digital Health ETF (EDOC)**.

EDOC debuted in mid-2020 as a vehicle for aggregating companies engaged in telemedicine, healthcare analytics, connected devices, and digital administrative support. It is based on a smart-beta index that selects 40 global companies engaged in these emerging themes. No single holding contains more than 5% of the total portfolio allocation, which makes for a more diversified distribution of capital across the entire basket.

The industry breakdown of EDOC is where you can see the unique nature of its portfolio composition. The fund is weighted 64% to traditional healthcare stocks, 20% to technology, 9% to communications, and a smattering to industrials and financials. Being able to bridge multiple sectors is what allows this fund to seek out the most innovative stocks in this field. Like many Global X ETFs, roughly 80% of the holdings are in the United States with the remaining companies domiciled in foreign countries.

EDOC has seen its asset size grow to over $600 million in part because of its unique makeup, but also due to its impressive performance through 2020. The fund saw a rapid ascent last year thanks to the momentum in growth-oriented healthcare names. Its price has now undergone a healthy correction over the last six months that allows for some of the extreme sentiment to be shaken out and created a more attractive entry point for new money.

Investors who believe in the continued advancement and growth of the digital healthcare ecosystem would be well served to consider EDOC in their long-term portfolio strategy. It can be utilized as a tactical holding across a wide range of growth-focused portfolios that are bullish for the development of healthcare in the cloud.

EDOC does an admirable job of straddling the crossroads of technology, medicine, and communications unlike any other fund in the marketplace. Furthermore, it is relatively cheap at just a 0.68% expense ratio for a smart-beta ETF demonstrating a unique value proposition.

Investment Idea 3: The Online Economy

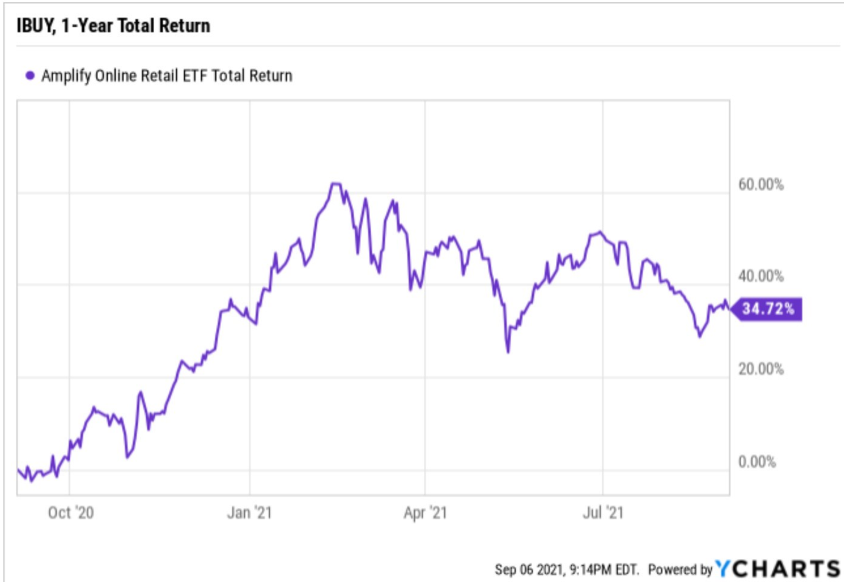
The shift in consumer behavior towards e-commerce has been well documented over the last decade and we have been big proponents of investing in this trend as a growth strategy. The pandemic has only accelerated the adoption of online spending for virtually every area of the economy and there is no doubt that trend will continue well into the future.

- Need batteries or diapers? Buy them on Amazon.
- Want dog food and pet medicine at the lowest prices? Just set it to reoccurring delivery on Chewy.com.
- Don't want to expose yourself to COVID by dining out? Just order up on DoorDash or Uber Eats.
- Time for a new car and hate the dealership experience? You can buy one on Carvana.
- Going to the post office for stamps? Don't bother, Stamps.com has you covered.
- Forget the movies. You can get all your entertainment at home from Netflix or Disney.

We could go on and on for days about how streamlined all our spending has become and how easy it is to eliminate the unnecessary trips to brick-and-mortar retailers. Many households have become accustomed to this model and even prefer it to social/behavioral trends of just a few years ago.

It keeps their families safer and eliminates excess time and money outside the home or office. There is no easier way to invest in this trend than a fund we have spotlighted several times before in this publication.

The **Amplify Online Retail ETF (IBUY)** contains exposure to 72 online retail stocks across a wide gamut of industries and geographies. Every stock in the scenarios mentioned above is represented in this index in addition to powerhouses such as Peloton, Spotify, Overstock.com, Car-parts.com, Etsy, PayPal, and eBay to name a few.



It's a comprehensive and diversified portfolio that is filtered based on several quantitative factors. To be eligible for inclusion in the basket, stocks must have at least 70% of their sales come from online channels or more than $100 billion in virtual revenue. There is a maximum cap of 25% of the portfolio allocated to international stocks and holdings are equal weighted at each rebalancing cycle.

This modified equal weighted methodology is an important step in the diversification process because it keeps mega-cap tech names such as Amazon or PayPal from dominating the index. In fact, large-cap stocks make up just 65% of the portfolio, with the remaining 35% spread over small and mid-cap names. The top country allocations outside the United States include China, Germany, the United Kingdom, and Netherlands. Holdings are rebalanced semi-annually.

Amplify Online Retail ETF (IBUY)	
Inception Date:	4/19/2016
Assets:	$1.07B
Avg Daily Volume:	115.4K
Expense Ratio:	0.65%
# of Holdings:	74
YTD Return:	14.28%
3-Yr Return:	174.7%
Mstar Rating:	5 Star

IBUY has attracted more than $1 billion in total assets to-date and charges a net expense ratio of 0.65% as its underlying management fee. The fund just celebrated its fifth birthday and boasts a 5-Star Morningstar rating based on risk-adjusted returns in the consumer cyclical fund category.

Despite the more recent pullback, it's not hard to see why IBUY has attracted such a robust asset base. The fund as notched a total return of 122% and 323% on three- and five-year time frames, respectively. It is roughly flat on a year-to-date basis after working off overbought momentum from the late-2020 surge.

Investors who don't yet have an allocation to IBUY may want to keep a close eye on its long-term trendline at the 200-day moving average. A surge back to that level would indicate that IBUY is back in a technical uptrend that would lend more weight towards a successful resurgence in this growth arena.

Also keep in mind that one of the main reasons for IBUY's pullback this summer was due to its China exposure, as that country's e-commerce sites sold off hard on potential government regulations on specific industries. However, Chinese officials are not unwise. They know it's neither in their interest, nor their county's interest, to crackdown on business, and they have already largely lifted the threat of massive regulation on many e-commerce segments.

As for IBUY, it can be utilized as a tactical holding to overweight a portion of the portfolio towards consumer discretionary stocks that stand to benefit as online spending continues its expansion cycle. What makes this fund attractive is that it is not beholden to a single industry or niche that would limit its growth potential. The IBUY portfolio is tailor made for a long-term COVID landscape.

Investment Idea 4: Consumer Staples and Dividends

One of the biggest deficiencies during the height of the pandemic was the availability and distribution of consumer products to keep our surroundings clean. There were shortages on sanitizers, masks, paper products, and a host of other supplies that are critical for homes, hospitals, schools, and businesses to remain safe. Fortunately, we have seen a ramp up in production and now a much higher availability of these essential tools throughout the distribution chain. It also stands to reason that demand for these products is going to be inelastic given the backdrop of a longer COVID cycle.

Most of the companies that make these products are housed within the consumer staples sector, which also happens to be a traditionally low volatility area of the stock market. These include names such as Proctor & Gamble, The Clorox Company, Kimberly Clark, and Colgate-Palmolive. There are also several industrial manufacturers that make critical PPE supplies such as masks and gloves. 3M and Honeywell are two of the largest U.S. companies with the capability to create and distribute these products globally.

The investment decision matrix for accessing these companies has several unique variables that are worthy of discussion. Below are options for consideration as you navigate the best scenario for your client portfolios.

- The first option is to simply purchase these types of stocks outright as a means of gaining direct exposure to the consumer products fields. It eliminates the expense drag of any fund fees and allows you to tailor your investments to high-conviction areas. However, that means allocating capital towards a small handful of companies with more individual business risk. It also creates complications of managing more positions over time.
- The second option to consider is to purchase sector level ETFs such as the Consumer Staples Select Sector SPDR (XLP) or the Industrial Select Sector SPDR (XLI). Both funds are highly liquid, inexpensive, and offer access to stocks that fall into these categories. The factor that must also be considered under this scenario is the excess exposure to other companies in the sector basket that may not experience the same tailwinds from a long COVID cycle. Nevertheless, the benefit of diversification may ultimately outweigh this consideration and both funds are solid overall.
- The third option is one that materialized because of our in-depth research at the intersection of this thematic play. A common thread among all these stocks is their emphasis on dividends and shareholder value as contributing factor to their success. That led to the discovery of a unique equity income fund that captures several long-term COVID themes in one vehicle. It may prove to be a natural fit with your clients' goals and checks all the boxes of consumer staples, industrials, and healthcare.

The **VanEck Vectors Morningstar Durable Dividend ETF (DURA)** is an exchange-traded fund based on a smart-beta index that is on the cusp of celebrating its third anniversary. Its goal is to track the overall performance of high dividend yielding U.S. companies with strong financial health and attractive valuations according to Morningstar. That translates to a diversified, multi-sector portfolio of 80 stocks with a current 30-day SEC yield of 2.96% and a net expense ratio of just 0.29%.

The Morningstar index approach in DURA is one of moderation to achieve the best possible outcome. It doesn't seek out the most rock-bottom value fundamentals or highest dividend yields as a standalone factor. Instead, it looks at a blend of these characteristics to avoid traps at both ends of the spectrum and to ultimately focus on total return as the number one target.

The result is a diverse group of stocks that includes Pfizer Inc, Johnson & Johnson, Proctor & Gamble, 3M Co, and Walmart in its top holdings. Other stocks that are represented in the basket and fit with this consumer staples' theme include Honeywell International, Kimberly Clark, and Colgate Palmolive.

VanEck Vectors Morningstar Durable Dividend ETF (DURA)	
Inception Date:	10/30/2018
Assets:	$53.3M
Avg Daily Volume:	4.7K
Expense Ratio:	0.29%
# of Holdings:	81
YTD Return:	1.33%
3-Yr Return:	39.32%
Mstar Rating:	N/A

The top sector dispersion within DURA incorporates healthcare (27%), consumer staples (25%), communications (11%), utilities (11%), and industrials (8%).

The allocations to dividend paying stocks spread across multiple sectors has been beneficial from a performance standpoint as well. Pure consumer staples have only gained 9.3% over the last 52 weeks, while DURA has jumped 14.3%. Furthermore, this dividend-oriented ETF pays a more attractive yield than XLP as a standalone as well.

It's likely that this type of holding would be more defensively oriented during a downturn in stocks with lower volatility than the broader market. It's focus on value and shareholder yield will provide a much-needed balance to portfolios that are seeking high quality companies with attractive fundamentals.

This fund is diverse enough and positioned primarily in large-cap stocks to act as a core holding for income-focused portfolios. It would pair well with several of the more tactical ETFs mentioned in this issue as you are building out a long-term COVID strategy.

The one drawback for this fund is its smaller size of just $50 million in assets under management and minimal daily trading volume.

Advisors that do opt to include this fund in their portfolios should trade it using limit orders on both the buy and sell side to ensure you are getting reasonable price fills. There is certainly enough liquidity in the underlying holdings for market makers to provide accurate pricing when demanded.

Conclusion

Living with COVID for the foreseeable future is not a scenario we embrace with enthusiasm, but it is certainly one that is looking increasingly probable at this juncture. Giving your clients multiple options to attack this situation will create enhanced value in your services and foster trust that you are looking out for their best interests.

As such, we recommend talking with them as soon as possible about these investment options and highlighting the strengths of any positions you already from your past recommendations.

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: 80.24%	SPY: 97.05%
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: 110.90% ROBO: 83.58% AMBA: 194.30% QCOM: 23.20% (closed)	SPY: 94.05% 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: 144.10% ALB: 87.73%	SPY: 94.05%
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: 47.38% SMDV: 21.67%	AGG: 15.81% MDY: 59.04% IWM: 58.82%
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: 12.15% MNA: 9.72%	AGG: 15.60%

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:** **8.53%**	**ACWX:** **30.79%**
"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:** **14.97%** **EMLC:** **-0.19%** **EBND:** **1.71%** **AGEYX:** **22.35%**	**AGG:** **16.13%**
"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:** **19.60%** **TOTL:** **13.34%** **FTSL:** **14.26%**	**AGG:** **18.04%**

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: 9.57%	BIL: 3.91%
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: 38.55%	ACWX: 27.68%
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: 11.33%	SPY: 77.50%
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: 28.86% DLS: 15.85%	EFA: 28.96%
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: 208.40%	SPY: 76.90%
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: 75.86%	SPY: 78.27%
"FANG and Friends" of Emerging Markets **EMQQ (Emerging Markets Internet & Ecommerce ETF)**	*"By 2025, annual consumption in emerging markets will reach $30 trillion—the biggest growth opportunity in the history of capitalism."—McKinsey & Company. The combination of four major forces in emerging markets make this a great investment setup: favorable demographics, increasing smartphone availability, surging wireless broadband and Wifi access, and the globalization of the capital formation process. EMQQ is the best ETF to invest in this great confluence. We also featured three alternative ETFs (ECON, KWEB, KEMQ).* ***What to do now: Buy.***	Issue 23: 6/26/18	EMQQ: 56.96%	EEM: 32.29%

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: 41.83%	IWM: 39.93%
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: 126.10% FINX: 89.27% IPAY: 76.27%	SPY: 69.56%
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: 5.34% USFR: 3.40% SRLN: 13.92% EFR: 25.05%	AGG: 17.19%
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: 73.55% IEME: 53.34% XLC: 80.92% DIS: 68.14%	SPY: 67.07%
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: 31.75% SBIO: 25.96% FXG: 27.96%	SPY: 64.76%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Commodities **PDBC (Invesco Optimum Yield Diversified Commodity Strategy No K-1)** **GNR (SPDR S&P Global Natural Resources ETF)** **RLY (SPDR SSGA Multi-Asset Real Return ETF)**	*Commodities have typically outperformed during late expansion and early recession phases of the economic cycle. Many economic indicators imply we are entering (or are already in) the late expansion phase of the economic cycle. As such, commodities have outperformed so far this year, and we expect that to continue.*	9/18/18	PDBC: 12.95% GNR: 18.35% RLY: 19.58%	DBC: 13.72%
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: 9.41% MINT: 5.37%	BIL: 2.83%
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: 49.98% PTLC: 41.56%	SH: -49.95%
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: 9.76% MLPA: -9.29% DCP: 8.64% SHLX: -13.65%	SPY: 75.90% AMLP: -9.67%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: 72.61%	SPY: 81.53%
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: 30.71% NRG: 13.51% CNP: -7.74%	XLU: 34.11%

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: 69.12% CIBR: 90.01% FTNT: 262.60% CYBR: 59.30%	QQQ: 124.20%
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: -49.98% ACB: -92.37% CGC: -63.37%	SPY: 69.06%
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: 78.96%	SPY: 67.39%
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: 41.57% CCOR: 15.32% JHEQX: 37.07%	SPY: 63.76%

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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: 188.30% ARKG: 169.40% XITK: 115.90%	QQQ: 104.30%
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: 80.44% XBI: 57.81% IHF: 65.18%	XLV: 59.69%
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: 35.01% SPLV: 24.51% EEMV: 21.28% EFAV: 19.37%	SPY: 64.22%
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: 16.51% OHI: 10.67% SCI: 46.33%	SPY: 67.73%

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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: 25.91% SGOL: 26.63% GDX: 26.73% KL: -3.99% FNV: 70.47%	
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 50.14% SPMO: 53.53% FDMO: 42.05%	SPY: 50.92%

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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:** **74.15%** **GIGE:** **89.96%**	**SPY:** **50.43%**
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:** **20.28%** **VNQI:** **4.28%** **REZ:** **16.25%** **REM:** **-11.97%**	**SPY:** **56.61%**
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:** **-3.46%** **PPA:** **10.72%** **UFO:** **29.39%**	**SPY:** **57.71%**

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: 16.54% VYM: 28.49% PDI: 4.30%**	**SPY: 57.05%**
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: 192.70% FAN: 77.90% ICLN: 119.20% PBW: 197.40%**	**SPY: 61.52%**
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: 61.73% FIW: 60.77%**	**SPY: 55.85%**

Sevens Report Alpha Fund & Stock Ideas

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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:** **47.56%** **HTD:** **2.81%** **PDI:** **-0.88%** **NZF:** **15.66%** **FFC:** **21.30%** **RQI:** **21.10%**	**SPY:** **50.54%**
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:** **4.52%**	**BIL:** **0.39%**

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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:** **2.69%** **XOP:** **-7.81%** **LQDH:** **2.90%**	**SPY:** **43.93%**
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:** **28.89%** **VIGI:** **30.11%** **GSIE:** **23.67%**	**ACWX:** **21.63%**
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:** **37.75%** **VBK:** **46.85%** **XSLV:** **-0.25%**	**IWM:** **40.30%**
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:** **42.55%** **SBIO:** **10.15%** **XBI:** **37.52%**	**SPY:** **34.90%**

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: 34.20% CCOR: 6.83% JHEQX: 31.36%	SPY: 56.84%
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: 107.90% IBUY: 171.50% JHCS: 73.81% XITK: 137.10%	SPY: 70.60%
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: 91.58% SHOP: 163.70% GDDY: 16.94% IPAY: 84.78%	SPY: 65.59%

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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:** **6.36%** **DG:** **26.82%** **DLTR:** **20.59%** **MCD:** **32.13%** **RHS:** **21.50%**	**SPY:** **58.01%**
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:** **0.60%** **FTSD:** **-0.74%** **IGSB:** **1.53%**	**SHY:** **-0.52%**
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:** **37.57%** **DGRO:** **38.01%** **TDIV:** **44.46%**	**SPY:** **46.78%**

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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: 61.45% MRVL: 76.85% QRVO: 64.89% FIVG: 43.15%**	**SPY: 48.70%**
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: 38.08% FEZ: 33.63%**	**VTV: 41.46%**
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: 21.94% GERM: 41.58%**	**SPY: 42.88%**

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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: 23.01% FXE: -0.14% GDX: -16.70%	SPY: 37.94%
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**	8/25/2020	JETS: 30.38% PEJ: 51.39% KBE: 63.92% REZ: 49.75%	SPY: 33.43%
Opportunities in the Electric Vehicle Battery 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	9/9/2020	ALB: 1.82% SQM: 7.91% LIT: 10.21%	SPY: 0.43%

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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: -12.82%** **LULU: 17.74%** **BRBR: 61.32%** **BFIT: 36.53%** **MILN: 43.29%**	**SPY: 36.49%**
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:** **38.89%** **VTV:** **32.51%** **RPV:** **46.57%**	**SPY:** **34.59%**
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:** **63.52%** **BLOK:** **68.42%** **ARKW:** **13.98%**	**SPY:** **23.57%**

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:** **4.34%** **XITK:** **12.58%** **IPAY:** **11.46%** **FIVG:** **16.33%** **LIT:** **51.66%**	**SPY:** **22.39%**
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:** **15.02%** **NEE:** **9.08%**	**SPY:** **20.41%**

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:** **15.32%** **FDL:** **15.19%** **RPV:** **19.23%**	**SPY:** **18.83%**
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%**

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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: 13.00%** **ETHE: 6.04%** **COIN: 12.27%** **VYGVF: -17.85%**	**SPY: 10.12%**
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: -2.40%** **VRP: 0.94%**	**SPY: 7.62%**
Equity Playbook in Today's Environment Strategy 1: "One-Stop Shop" Inflation Hedge. Horizon Kinetics Inflation Beneficiaries ETF (INFL). Strategy 2: Focus on Dividend Growth. Proshares S&P 500 Dividend Aristocrats ETF (NOBL). iShares Core Dividend Growth ETF (DGRO). Strategy 3: Commodities and Natural Resources. Global X MLP ETF (MLPA). SPDR SSGA Multi-Asset Real Return ETF (RLY).	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.** Today's issue provides ETF solutions for the equity portion of elderly clients' portfolios – ideas that are designed to provide income and ensure positive correlation to rising inflation	**6/15/2021**	**INFL: -0.98%** **NOBL: 1.40%** **DGRO: 4.26%** **MLPA: -14.92%** **RLY: -1.93%**	**SPY: 6.53%**
Cybersecurity ETFMG Prime Cyber Security ETF and the CIBR: First Trust NASDAQ Cybersecurity ETF (HACK) Global X Cybersecurity ETF (BUG) First Trust Cloud Computing ETF (SKYY)	This issue is focused on Cybersecurity. First, we want to give you an updated primer on the cybersecurity sector, and make sure you know the best ETFs to gain exposure to the likely explosive growth cyber security companies will experience over the coming quarters. Second, we wanted to identify strategies that you, the advisor, can use to minimize the chances your business is attacked and provide solutions if an attack does occur, so you know what to do, and what not to do.	**6/29/2021**	**HACK: 6.78%** **CIBR: 9.79%** **BUG: 12.03%** **SKYY: 4.29%**	**SPY: 5.73%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Capitalizing on mRNA and Other Medical Tech ARK Genomic Revolution ETF (ARKG) Global X Telemedicine & Digital Health ETF (EDOC) ROBO Global Healthcare Technology & Innovation ETF (HTEC) Genomic Revolution Global X Genomics & Biotech ETF (GNOM)	Because of the success of mRNA in producing an effective COVID-19 vaccine at a record pace, along with the demonstrated effectiveness of anti-viral treatments like Remdesivir, we're likely to see a major acceleration in funding, research, and adoption of other cutting edge medical technologies and that means potentially substantial returns for companies with the right exposure.	**7/13/2021**	**ARKG:** **-5.33%** **EDOC:** **-5.08%** **HTEC:** **-2.29%** **GNOM:** **-6.17%**	**SPY:** **0.82%**
Five ETFs That Can Make Your Life As An Advisor Easier Vanguard Total World Stock ETF (VT). iShares MSCI ACWI ETF (ACWI). iShares MSCI Global Min Vol Factor ETF (ACWV). iShares MSCI ACWI Low Carbon Target ETF (CRBN).	So how do you bridge the gap between an seven-figure trust and that clients nephew's tiny Roth IRA? Both are important to the overall relationship. You start by syncing up some of the foundational core holdings that make up the bulk of your asset allocation. Specifically, we identify foundational "own everything" ETFs you can use across account sizes to simplify smaller account administration and reduce variety among core ETF holdings, thereby making you more efficient:	**7/27/2021**	**VT:** **2.14%** **ACWI:** **1.32%** **ACWV:** **0.52%** **CRBN:** **1.18%**	**SPY:** **0.72%**
Stagflation Playbook First Trust Dow Jones Internet Index Fund (FDN). Invesco S&P 500 Equal Weight Consumer Staples ETF (RHS). VanECk Vectors Investment Grade Floating Rate ETF (FLTR). Aberdeen Standard Bloomberg All Commodities Strategy K-1 Free ETF (BCI).	This Alpha issue is focused on something we sincerely hope never happens: Stagflation. That's because a stagflationary environment is a very difficult one to successfully invest in as, broadly speaking, it's negative for most stocks, most bonds, and idle cash (purchasing power is eroded through inflation). Positively, stagflation is not the most likely macroeconomic scenario going forward (a stock positive reflation scenario is the most likely future macro setup). But, stagflation risks are still at multi-decade	**8/24/2021**	**FDN:** **2.73%** **RHS:** **-0.73%** **FLTR:** **0.01%** **BCI:** **2.78%**	**SPY:** **0.74%**