SEVENS REPORT *alpha*

July 12, 2022

In Today's Issue

- Recession warnings are surging across Wall Street, but as we showed in a recent *Sevens Report*, markets don't always decline during recessions. So, with recession warnings rising, we wanted to identify the sectors that have outperformed leading up to, during, and after the last three recessions, so that we have a specific sector playbook to deploy if a recession becomes imminent.

- **Investment Idea 1: Large-Cap Health Care. Vanguard Health Care ETF (VHT).** The health care sector was one of the best performers over the past three recessions. VHT is a $16 billion healthcare ETF that has a 0.1% expense ratio and has only declined 8% YTD vs. 17% for the SPY.

- **Investment Idea 2: Health Care Value Opportunities. iShares U.S. Healthcare Providers ETF (IHF).** This ETF shuns some of the higher multiple "growth" health care names like biotech and focused on lower valuation healthcare providers. VHT has a P/E of 17X and many of the larger holdings have valuations substantially lower than that. Like VHT, IHF has relatively outperformed the S&P 500, falling only approximately half the amount of SPY.

- **Investment Idea 3: Large-Cap Consumer Staples. Vanguard Consumer Staples ETF (VDC).** Consumer staples were another sector that consistently has solid performance during the last three recessions. VDC is a $6.4B diversified consumer staples ETF with an expense ratio of 0.1% and it has declined just 5% YTD.

- **Investment Idea 4: Smart Beta Consumer Staples. Invesco Dynamic Food & Beverage ETF (PBJ).** PBJ is a targeted staples ETF focused on just food and beverage companies. It's down just 1.5% YTD.

Recession Resilient Sectors

Recession has become the new buzzword as we navigate the financial malaise of 2022. Numerous banks, financial pundits, and economists are predicting that the tandem forces of inflation and aggressive Fed tightening will be the catalyst for this event. While there is no way to accurately forecast when the landscape will officially change, many are speculating that it will take place within the next 12 to 18 months.

We have been progressively writing more about this situation in our daily *Sevens Report* to help with understanding exactly what a recession is and its impact on the markets over previous cycles. One of the most important points that we continue to stress is that the actual declaration of a recession is less important from a market standpoint than one might expect. That's because the markets see it coming before the event happens and is likely to start recovering before it's officially been declared over.

It's almost like the official declaration of a bear market. By the time you are in one, everyone already knows it and has been dealing with it for some time. It's also probable that you are nearer to an inflection point for a new uptrend rather than the time to bail out.

The following excerpt is directly from our June 24 report:

Often the market "pain" has been felt and mostly runs its course before the recession occurs. That's because markets are forward looking, and they price in the future slowing growth and higher rates, so by the time it actually occurs markets are looking forward to the eventual recovery.

During the last four recessions since 1990, the S&P 500 declined an average of 8.8%, according to data from CFRA Research. In over half of the 13 years with recessions since World War II, however, the S&P 500 has actually posted positive returns. (source)

Could the U.S. ultimately avoid a recession? Crazier things have happened. However, the warning signs are starting to add up and the market is discounting future growth expectations through the manifestation of recent stock price declines.

The next indicator investors will be turning to in the short-term is the impact of corporate earnings exceeding or beating expectations for Q2. Those results will likely incorporate more volatility as we navigate the intrepid summer months.

Our goal with this report is to give you a deep dive into how to invest through these difficult markets by leaning on data from past cycles. We examined the three most recent recessions (excluding the short 2020 COVID-19 period) as our sample set. These include:

The Gulf War Recession: July 1990-March 1991

- Duration: 8 months
- GDP decline: 1.5%
- Peak unemployment rate: 6.8%

The Dotcom Recession: March 2001-Nov. 2001

- Duration: 8 months
- GDP decline: 0.3%
- Peak unemployment rate: 5.5%

The Great Recession: Dec. 2007-June 2009

- Duration: 18 months
- GDP decline: 4.3%
- Peak unemployment rate: 9.5%

The data set for this research examined every S&P sector to rank their performance in the six months leading up to an official recession. We then created a separate data set to examine the six months that followed the recession start date. That way we could identify any commonalities in areas that showed relative strength or weakness over these contraction periods. The goal being to find safe harbors in the tumultuous seas that investors can rely on as conditions deteriorate.

The culmination of this research produced interesting results that confirmed our suspicions. **Namely, that defensive sectors such as consumer staples and health care tended to demonstrate consistent patterns of outperformance.** Furthermore, cyclical areas or those tied to "growthier" sectors were the ones to avoid during these contraction phases.

1990 Recession		
Sector	6mo prior	6mo after
Financials	-1.45%	-10.66%
Energy	11.35%	-9.57%
Industrials	9.67%	-9.76%
Materials	4.56%	-8.67%
Utilities	-3.48%	-0.34%
C. Discretionary	5.05%	-9.40%
C. Staples	21.42%	3.31%
Tech	9.21%	-1.14%
Health Care	21.48%	1.80%
Com Services	-1.79%	-7.29%

2000 Recession		
Sector	6mo prior	6mo after
Financials	-9.86%	-9.47%
Energy	-8.21%	-12.41%
Industrials	-11.46%	-13.08%
Materials	15.61%	-6.22%
Utilities	-5.64%	-26.67%
C. Discretionary	-3.97%	-16.20%
C. Staples	7.41%	-0.29%
Tech	-50.42%	-27.69%
Health Care	-4.69%	0.95%
Com Services	-19.04%	-4.03%

2007 Recession		
Sector	6mo prior	6mo after
Financials	-20.62%	-29.39%
Energy	11.39%	6.26%
Industrials	-1.35%	-15.36%
Materials	2.21%	0.49%
Utilities	5.92%	-16.46%
C. Discretionary	-16.96%	-13.06%
C. Staples	6.74%	-8.57%
Tech	4.40%	-12.56%
Health Care	-0.85%	-14.30%
Com Services	-5.70%	-21.36%

(Source: ycharts.com)

Each cycle produced some outliers as well. For example, energy was one of the stronger areas of the market in 2007-2008 but underperformed as a safe haven during the 2000 recession. It's also surprising to see that the utilities sector did not offer meaningful outperformance in any of these time frames. Those underwhelming results are likely tied to the headwind of interest rates on this inversely correlated market segment.

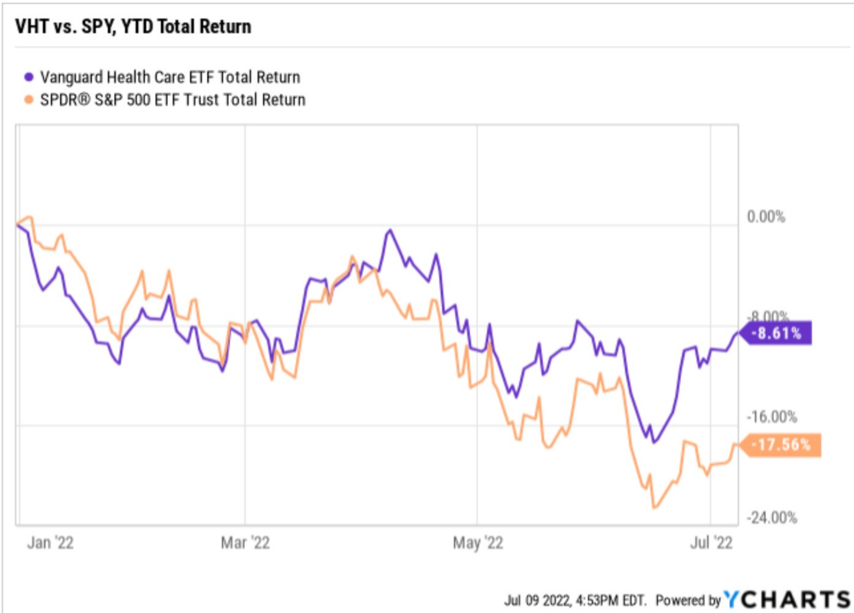
For the purposes of this report, we are going to focus exclusively on defensive investment opportunities in the health care and consumer staples areas as a cornerstone for a recession resilient portfolio. That way you can begin to communicate these ideas to clients and shift assets as appropriate to take advantage of more conservative strategies.

Investment Idea 1: Large-Cap Health Care

Recessions tend to hit smaller companies the hardest as their access to cheap financing and reduced market presence takes a toll on business activity. You are likely to see smaller companies take the biggest hit to their financial performance during these periods with many companies getting swallowed up by their larger competitors or simply ceasing to exist altogether.

That implicit factor has us leaning towards large- and mega-cap companies as an additional measure of safety. These stocks typically have stronger balance sheets, access to attractive capital sources, and histories of surviving economic downturns. Many often use these periods to pounce on distressed players in their field or expand their market footprint globally.

One of the best ways to access a portfolio of these larger companies is through a broad-based, market-cap-weighted fund such as the **Vanguard Health Care ETF (VHT)**. This ETF has over $16 billion dedicated to a broad mix of large-, mid-, and small-cap stocks in multiple sub-sectors of the health care field. VHT's 465 holdings are spread primarily among pharmaceutical, equipment, biotech, and managed health care services.



This fund is one of the top performing in its class over the last three years in large part because of its index construction methodology and ultra-low expense ratio of 0.10%. What makes VHT easy to own is how deeply it penetrates every segment of the health care spectrum to provide investors with access to both established companies and developing technologies.

Its top holdings include well-known names such as Johnson & Johnson, UnitedHealth Group, Pfizer Inc, AbbVie Inc, and Eli Lilly & Co. The 10 largest stocks in this fund make up 48% of the total assets with the remaining half spread over a subset of progressively smaller companies.

One of the notable factors investors in today's market are going to be impressed with is just how effectively this fund has held up as compared to the broader market. Its year-to-date declines are only half that of the broader market with the fund recently demonstrating significant positive divergences.

If the market were to mount a significant rally attempt, this ETF would likely be one of the first to recapture or test its prior highs given the significance of its current trading patterns. The low-volatility nature of VHT through both past and current recessionary environments makes this fund an attractive sector opportunity for all portfolio types.

It's the type of ETF that can slot right next to broader core equity holdings with a well-diversified base of companies and a deep well of daily trading liquidity. Clients will also be encouraged by the quality and name recognition of the underlying stocks as they seek to own areas of the market with strategic advantages through a downturn.

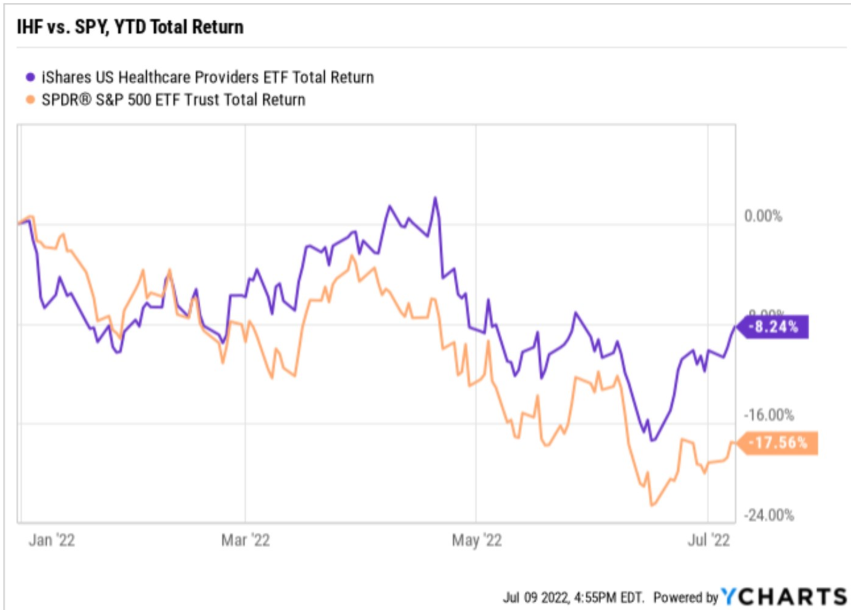
An index ETF isn't typically associated with "alpha" in today's market parlance. However, this type of fund is demonstrating relative alpha characteristics that can prove to be a vital cornerstone of our recession playbook.

Investment Idea 2: Health Care Value Opportunities

The health care field is so diverse that its industry level components can be categorized as either growth or value depending on their specialty. Stocks in the biotechnology, robotics, and advanced therapeutics categories are often seen as riskier growth prospects. They are often cash-burning endeavors focused on developing new drugs or devices that will eventually become therapies of tomorrow.

On the other end of the spectrum are financially secure companies that deal in insurance services, medical facilities, and proven diagnostics. These stocks represent the backbone of the medical industry as they relate to established care.

Through the teeth of a recession, you want to own stocks that are weighted towards the value end of the spectrum as an additional layer of safety. That way you are still able to participate in the necessity of equity ownership with an emphasis on stronger relative fundamentals.



One of the largest funds in the health care value space is the **iShares U.S. Healthcare Providers ETF (IHF)** with over $1.4 billion in total assets. This ETF owns over 70 health care services and managed care stocks such as UnitedHealth Group, CVS Health Corp, Elevance Health Inc, and Humana Inc. It's worth pointing out that because of its market-cap-weighted footprint, these top four stocks account for half of the total portfolio makeup.

The P/E ratio of this exchange-traded fund currently stands at 17.13, although many of the stocks in the top 10 holdings are trading at fundamentals well below that baseline. Collectively, this is one of the more undervalued areas of the health care sector that has demonstrated remarkably low volatility in this current environment.

Like VHT, this fund has only experienced roughly half the drop of the S&P 500 Index so far this year. That pattern of positive divergence is one of the primary reasons the fund has experienced net inflows of more than $300 million over that time frame. Investors are prioritizing the real-time, low-volatility factor and expectations for continued strength throughout this health care industry segment.

IHF charges a net expense ratio of 0.39%, which is reasonable for an industry level ETF of this nature. The size of its portfolio basket and the liquidity of its underlying holdings also gives us confidence that this fund can be traded in size for larger advisors.

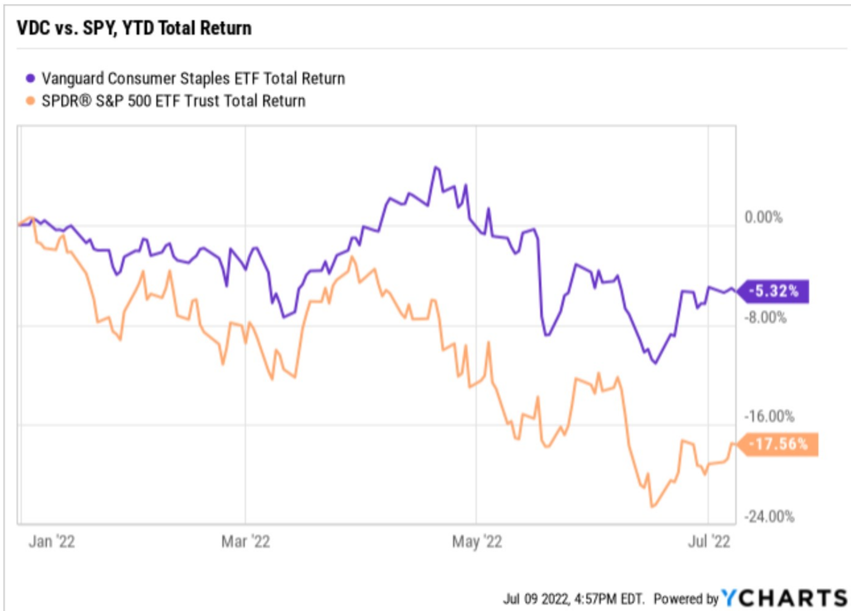
The best use case for this ETF is as a supplement to existing health-care-related holdings or as a method of tilting your portfolio exposure towards more low-volatility stocks. The fund does not pay a substantial dividend and should be avoided for those clients that prioritize this attribute in their holdings. Nevertheless, its conglomeration of high-quality stocks and consistent annual performance gives us confidence that this fund will be an appealing inflation-fighting tool for many portfolios.

Investment Idea 3: Large-Cap Consumer Staples

Consumer staples stocks have long been considered bastions of safety due to their established business trades and inelastic demand models. By definition, the products sold by these companies are necessities of everyday life, which is why they continue to post steady earnings results even during periods of economic contraction. They also have not historically shown patterns of inverse correlation with interest rate fluctuations like the utility or real estate sectors that have faltered in past cycles.

This makes for an attractive investment sector in an environment where economic uncertainty can derail momentum in high-growth and interest-ratesensitive stocks. Furthermore, many of the top consumer staples companies are consistent and expanding dividend paying entities that prioritize shareholder returns. That aligns with our goal of emphasizing income sources as a key driver of total return through the volatility of a recessionary market.

As with our core health care theme, the key to success in this situation is creating a stable foundation with large- and mega-cap stocks. For that task, we prefer the market-cap-weighted **Vanguard Consumer Staples ETF (VDC)** as one of the most dependable performers of its sector brethren.



This low-cost index fund tracks a basket of more than 100 consumer staples stocks with a median market cap of $98 billion. The fund's total assets stand at a healthy $6.43 billion, and it charges a miserly expense ratio of 0.10% to oversee this solid portfolio.

The industries that are encompassed within the fund include packaged food products, foods and beverage companies, drug stores, tobacco products, mega supermarkets, and household goods. Top holdings include well-known names such as Procter & Gamble, Coca-Cola Co., PepsiCo Inc, Costco Wholesale Corp, and Walmart Inc.

The data has proven these stocks to be outperformers both leading up to and through the initial phase of three recessions in the last three decades. They also are demonstrating relative strength patterns in this current market environment as well. VDC is off just 5.32% in 2022 while the broad-based S&P 500 Index is down 17.56% year to date.

The low-volatility factor inherent to this sector has been a major source of optimism in the swirling chaos of the year. It's also worth noting that VDC currently sports a 30-day SEC yield of 2.30% with dividends paid quarterly to shareholders. That represents a nearly 50% boost in comparable income above the 1.51% yield of SPY at today's prices.

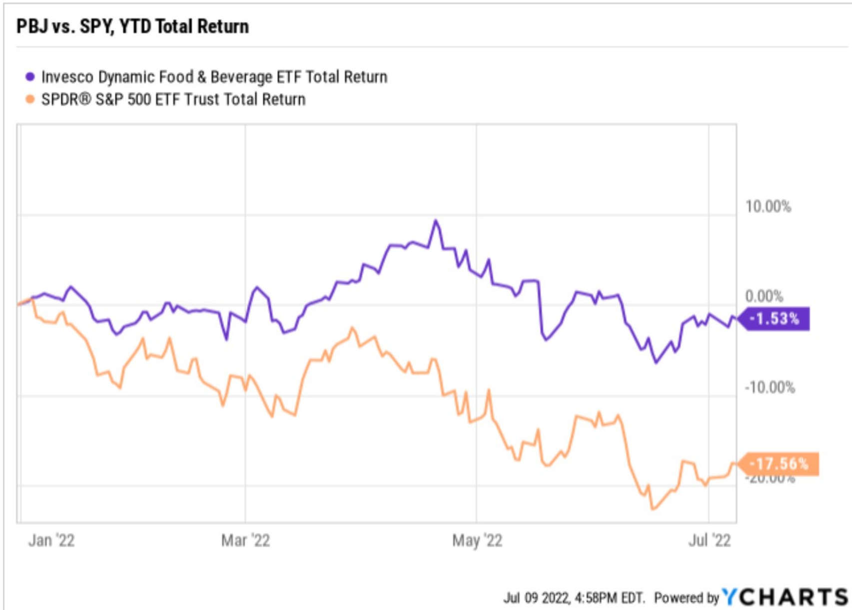
VDC can be utilized as a strategic component of both growth and income portfolios during a recessionary period. These stocks are often some of the first to come back and hit new 52-week highs during the recovery phase as they have fallen far less than other sectors. They are going to be most attractive to those clients who are rated as a conservative risk tolerance, or those with an income-focus as their priorities. Those factors may allow for a larger position size that could potentially rival a core equity holding, particularly given the meager return prospects of fixed-income over the next several years.

Investment Idea 4: Smart Beta Consumer Staples

Owning the market-cap-weighted benchmark for consumer staples is a great core equity strategy to lower total portfolio volatility. However, many advisors may find they need additional exposure or an expanded footprint in this sector to meet their asset allocation guidelines. For that opportunity, we turn to one of the under-the-radar smart beta solutions in this space.

The **Invesco Dynamic Food & Beverage ETF (PBJ)** has been in existence since 2005 and continues to offer a unique portfolio dynamic for selecting U.S.-based consumer staples companies. Its portfolio focuses strictly on food production or distribution businesses along with their beverage-related counterparts. That means you own stocks with the highest priority among consumers through all tough economic cycles.

What makes this ETF fall into the smart beta category is that the total basket of 30 underlying holdings is screened for investment criteria that include: price momentum, earnings momentum, quality, management action, and value. The current portfolio is comprised of household names such as Sysco Corp, General Mills Inc, The Hershey Co, Keurig Dr. Pepper, and PepsiCo Inc.



No single holding makes up more than 5% of the total portfolio and stocks are weighted based on their fundamental screening scores. Furthermore, all market capitalizations are represented within the fund with a balanced mix of large-, mid-, and small-cap designations. The underlying holdings also are rebalanced on a quarterly basis to ensure the basket remains properly diversified.

The combined portfolio carries an attractive 17 P/E ratio, charges a management fee of 0.63%, and has $282 million in assets under management. Furthermore, the recent performance has outshined the competition with this fund trading near the flat line on a year-to-date basis.

PBJ will be most attractive for those investors that believe in smart beta criteria as a proven driver of alpha. It also stands to reason that overly conservative clients will be attracted to the minimal drawdown this fund has experienced through past correction phases in the market. Its best-use case is alongside a more traditional core holding or as a strategic investment to tilt the portfolio towards stocks with steady track records.

Conclusion

The best news to communicate with all your clients is that every recession in the U.S. has been followed by attractive future returns in the stock market.

The positions we've outlined in this report can help dampen near-term turbulence so that they can reap long-term rewards. The key is to ensure that client accounts stay in line with proper asset allocation targets to maintain correlation during that recovery phase.

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: 60.26%	SPY: 70.78%
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: 43.32% ROBO: 20.11% AMBA: 43.88% QCOM: 23.20% (closed)	SPY: 67.22% 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: 104.10% ALB: 57.07%	SPY: 67.22%
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: 43.52% SMDV: 13.01%	AGG: 3.57% MDY: 34.78% IWM: 21.78%
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: 9.68% MNA: 2.95%	AGG: 3.31%

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:** **-17.41%**	**ACWX:** **2.03%**
"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:** **-11.34%** **EMLC:** **-21.01%** **EBND:** **-19.94%** **AGEYX:** **1.50%**	**AGG:** **3.86%**
"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:** **13.93%** **BLCN:** **12.17%**	**SPY:** **50.08%**
"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:** **4.53%** **TOTL:** **1.88%** **FTSL:** **8.17%**	**AGG:** **5.59%**

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: 6.31%	BIL: 3.99%
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: 19.42%	ACWX: -0.47%
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: 2.88%	SPY: 53.25%
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: -4.95% DLS: -11.55%	EFA: 0.65%
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: 10.18%	SPY: 52.68%
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: 48.55%	SPY: 53.90%
"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: -14.58%	EEM: -1.16%

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: 3.19%	IWM: 7.77%
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: -15.22% FINX: -15.53% IPAY: -1.71%	SPY: 46.11%
Floating Rate Funds FLOT (I-Shares Floating Rate Bond ETF USFR (Wisdom Tree Floating Rate Treasury Fund) SRLN (SPDR Blackstone / GSO Senior Loan ETF EFR (Eaton Vance Floating Rate Trust)	*Despite stubbornly high bonds/low yields, bonds are still now in a longer term bear market, and there exist few non-inverse bond alternatives that can produce absolute gains in a falling bond environment.* *Floating rate ETFs rise as bond yields fall and offer absolute return potential in bond portfolios, and are an important tool in constructing client bond portfolios in a rising rate environment.*	8/6/18	FLOT: 4.11% USFR: 3.86% SRLN: 7.05% EFR: 12.30%	AGG: 4.82%
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: 11.27% IEME: 1.78% XLC: 17.61% DIS: -14.44%	SPY: 44.11%
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: 0.05% SBIO: -18.53% FXG: 38.53%	SPY: 42.75%

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: 53.43% GNR: 17.21% RLY: 27.53%	DBC: 54.73%
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: 3.13% LDUR: 4.41% MINT: 2.99%	BIL: 2.91%
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: 39.43% PTLC: 34.79%	SH: -44.31%
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 Mid-	*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: 6.50% MLPA: 2.74% DCP: 19.30% SHLX: 10.32%	SPY: 52.39% AMLP: 1.34%

Sevens Report Alpha Fund & Stock Ideas

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Growth into Value Rotation RPV (Invesco S&P 500 Pure Value ETF) DVP (Deep Value ETF)	*Recognizing the switch in outperformance from value to growth in 2014 was one of the easiest ways to help clients outperform.* *Now, there are signs markets might be switching back, to an era where value outperforms growth. The ETFs included in this report serve as a "one stop shop" to add quality value exposure to client portfolios.*	12/18/18	RPV: 41.31%	VTV: 46.51%
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: 11.26%/5.95% ITB/VNQ: 91.62%/41.20% DFE: 16.59%	SPY: 62.88%
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: 70.12%	SPY: 56.42%
Preferred Stock ETFs PGF (Invesco Financial Preferred ETF) VRP (Invesco Variable Rate Preferred ETF) PFXF (VanEck Vectors Preferred Securities ex Financials ETF)	*Preferred stocks have massively outperformed the S&P 500 during the October—December correction and barely lagged bonds. With yields of 5% and higher we think preferred stock ETFs present a unique long term opportunity to generate income and reduce volatility in portfolios, while keeping upside exposure.*	1/29/19	PGF: 4.49% VRP: 9.25% PFXF: 17.64%	PFF: 10.36%
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: 36.39% NRG: -3.51% CNP: 6.79%	XLU: 40.50%

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: 23.89% CIBR: 56.02% FTNT: 255.80% CYBR: 26.79%	QQQ: 70.59%
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: -82.16% ACB: -98.64% CGC: -94.92%	SPY: 45.95%
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: 46.11%	SPY: 45.07%
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: 37.20% (Closed) CCOR: 17.57% JHEQX: 28.13%	SPY: 41.18%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
ARK Invest Family of ETFs ARKW (ARK Next Generation Internet ETF) ARKG (ARK Genomic Revolution ETF) XITK (SPDR Fact Set Innovative Tech ETF)	*We are re-introducing the ARK Family of ETFs. Alpha recommendation ARKK is up 26% YTD and it's outperformed the S&P 500 since our recommendation.* *ARK ETFs offer "one-stop shopping" exposure to the disruptive technologies of tomorrow—technologies that can not only produce outsized long-term returns, but that also are compelling stories for clients and prospects.*	4/23/19	ARKW: 1.09% ARKG: 13.26% XITK: 2.83%	QQQ: 55.48%
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: 39.03% XBI: -3.37% IHF: 62.64%	XLV: 55.75%
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: 25.95% SPLV: 23.15% EEMV: 4.61% EFAV: -2.53%	SPY: 42.35%
Ageing of America Primer WELL (Welltower Inc) OHI (Omega Healthcare Investors) SCI (Service Corp International)	*There is a coming massive demographic shift in the U.S. as within the next 20 years one in every five Americans will reach retirement age, and that aging of Americans will have profound impacts on different market sectors.*	6/4/19	WELL: 14.40% OHI: 4.47% SCI: 66.05%	SPY: 44.79%

Sevens Report Alpha Fund & Stock Ideas

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: 21.44% SGOL: 22.38% GDX: 5.05% KL: -11.74% FNV: 56.09%	
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 12.70% SPMO: 26.43% FDMO: 16.74%	SPY: 28.95%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Profit from the Sharing Economy **MILN (The Global X Funds/Millennials Thematic ETF)** **GIGE (The SoFi Gig Economy ETF)**	*Inspiration for the issue came from this comment, which I believe is a profound statement on the next evolution of the economy.* *"Uber, the world's largest taxi company, owns no vehicles. Facebook, the world's most popular media owner, creates no content. Alibaba, the most valuable retailer, has no inventory. And Airbnb, the world's largest accommodation provider, owns no real estate. Something interesting is happening." Tim Goodwin The Batter Is For The Consumer Interface.* *Each of those companies are part of the new "sharing economy."* *In addition to profiling two ETFs, we also created our own "Watch List" of sharing economy companies that describes 1) What they do and 2) How they make money, so you have a clear view of the entire "Sharing Economy" universe.*	**7/30/19**	**MILN:** **5.42%** **GIGE:** **-24.49%**	**SPY:** **28.54%**
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:** **0.99%** **VNQI:** **-23.85%** **REZ:** **2.63%** **REM:** **-34.39%**	**SPY:** **33.85%**
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:** **-8.57%** **PPA:** **5.64%** **UFO:** **-17.76%**	**SPY:** **34.75%**

Sevens Report Alpha Fund & Stock Ideas

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Japanization Playbook **PTCIX (PIMCO Long Term Credit Bond Fund)** **VYM (Vanguard High Dividend Yield ETF)** **PDI (PIMCO Dynamic Income Fund)**	Given the slowing of the global economy, we are now at a fork in the road, where global economic stimulus will either work, like it did in 2016 and spur a big rally, or it will not, like what happened in Japan in the 1990s. We spent an entire *Alpha* issue detailing a what will outperform and underperform in that scenario, so that if it happens, we know what to do.	**9/10/19**	**PTCIX:** **-12.34%** **VYM:** **26.20%** **PDI:** **-13.32%**	**SPY:** **35.40%**
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:** **150.20%** **FAN:** **40.48%** **ICLN:** **83.96%** **PBW:** **70.81%**	**SPY:** **39.34%**
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:** **28.74%** **FIW:** **30.11%**	**SPY:** **35.09%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Outperforming in A Declining Dollar Environment **VGT (Vanguard Information Technology ETF)** **IHI (IShares U.S. Medical Devices ETF)** **EMLC (VanEck Vectors J.P. Morgan EM Local Currency Bond ETF)** **PDBC (Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF)**	If there's going to be a global reflation, then it will likely come with a weaker U.S. Dollar. From early 2017 through early 2018 the dollar declined from over 100 to below 90 (so more than 10%) and that had a significant impact on stocks: The 2017 decline in the dollar resulted in **a 31% gain for the S&P 500** from December 2016 through January 2018. But, the dollar decline also created opportunities for specific sectors and assets classes to handily outperform the S&P 500, and we want to identify those opportunities in three strategies: • Targeted sector exposure via a focus on U.S. Exporters • International ETF Exposure • Commodities Allocations.	**11/5/19**	**Various ETFs Listed in the Issue**	
Closed End Funds **ETG (EV Tax Adv. Global Dividend Inc)** **HTD (JH Tax-Advantaged Dividend Inc)** **PDI (PIMCO Dynamic Income)** **NZF (Nuveen Municipal Credit Income)** **FFC (Flaherty & Crumrine Preferred & Income Sec.)** **RQI (Cohen & Steers Quality Income)**	Closed End Funds (CEFs) are under-utilized compared to ETFs (we explain why in the issue) but CEFs have advantages over ETFs both on a yield and tactical basis – and we think that CEFs can be an effective tool, when integrated into a broader portfolio strategy, that can boost yield and create opportunities to generate alpha.	**12/3/19**	**ETG:** **15.64%** **HTD:** **-1.18%** **PDI:** **-17.53%** **NZF:** **-8.06%** **FFC:** **-5.11%** **RQI:** **14.99%**	**SPY:** **29.76%**
Cash Management **FPNIX (FPA New Income Fund)** **MINT (PIMCO Enhanced Maturity Active ETF)** **BBBIX (BBH Limited Duration I)**	In this issue, we identify three funds that provide market-beating returns on cash with very low duration and good liquidity, and we rank them depending on preference: More aggressive (and higher yield), Conservative, and "In Between."	**12/17/19**	**BBBIX:** **1.97%**	**BIL:** **0.47%**

Sevens Report Alpha Fund & Stock Ideas

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Contrarian Ideas 2020 **MJ (ETFMG Alternative Harvest ETF)** **XOP (SPDR S&P Oil & Gas Exploration and Production ETF)** **LQDH (iShares Interest Rate Hedged Corporate Bond ETF)**	**Contrarian Idea: Cannabis Sector.** Cannabis stocks got crushed in 2019, but underlying demand for medical cannabis, along with public acceptance of the idea, continued to grow. **Contrarian Idea: Energy.** The energy sector lagged in 2019, but if there is a rebound in growth, combined with a protracted dollar decline, energy could handily outperform in 2020. **Contrarian Idea: Rising Rates.** Bonds surged in 2019 and the broad consensus is for perma-low rates. But the Fed is now targeting higher inflation, and if growth rebounds, rates could easily move higher.	**12/31/19**	**MJ:** **-63.36%** **XOP:** **29.63%** **LQDH:** **-0.84%**	**SPY:** **24.33%**
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:** **-0.82%** **VIGI:** **2.75%** **GSIE:** **-3.86%**	**ACWX:** **-5.18%**
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:** **15.91%** **VBK:** **1.73%** **XSLV:** **-6.65%**	**IWM:** **8.06%**
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:** **1.72%** **SBIO:** **-28.80%** **XBI:** **-15.65%**	**SPY:** **14.84%**

Sevens Report Alpha Fund & Stock Ideas

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Hedged Equity ETFs **DMRL: DeltaShares S&P 500 Managed Risk ETF.** **CCOR: Cambria Core Equity ETF.** **JHEQX: JPMorgan Hedged Equity Fund Class I.**	We want to highlight hedged ETF strategies that can help advisors protect gains if we are at the start of a 2018 style correction, or worse, our first bear market in over a decade, while at the same time maintaining long exposure if/when the correction ends. Hedged ETFs outperformed the S&P 500 in 2018, and if this current correction turns into a lengthy pullback, hedged ETFs will help preserve client gains.	**3/10/2020**	**DMRL:** **28.99%** **(Closed)** **CCOR:** **7.80%** **JHEQX:** **21.6%**	**SPY:** **33.31%**
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:** **43.78%** **IBUY:** **1.30%** **JHCS:** **17.15%** **XITK:** **12.84%**	**SPY:** **44.97%**
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:** **18.04%** **SHOP:** **-44.27%** **GDDY:** **12.62%** **IPAY:** **3.18%**	**SPY:** **40.90%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Three Strategies for a "U" Shaped Recovery **Preferreds: PGF (Invesco Financial Preferred ETF)** **Dollar Stores/Fast Food: DG: (Dollar General), DLTR: (Dollar Tree), MCD: McDonalds** **Consumer Staples: RHS (Invesco S&P 500 Equal Weight Consumer Staples ETF).**	Markets are pricing in a pretty high chance of a "V-shaped" economic recovery, but we think it's prudent to have a playbook for a less optimistic, "U-shaped" economic recovery that has the U.S. economy mired in slow growth for some time. So, in this issue, we wanted to identify proven sectors and stocks that are likely to thrive if the economic recovery is more restrained, i.e. U-shaped. The following research achieves that goal by identifying areas that have proven resilient under previous recessions and periods of slow growth, and are likely to continue to thrive in that envi-	**5/5/2020**	**PGF:** **-11.77%** **DG:** **46.02%** **DLTR:** **118.30%** **MCD:** **42.27%** **RHS:** **27.09%**	**SPY:** **35.02%**
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:** **-0.71%** **FTSD:** **-4.43%** **IGSB:** **-6.20%**	**SHY:** **-4.68%**
Finding Sustainable Dividends In An Uncertain Environment **NOBL (ProShares S&P 500 Dividend Aristocrats ETF),** **DGRO (iShares Core Dividend Growth ETF).** **TDIV (First Trust NASDAQ Technology Dividend ETF).**	This issue is all about finding sustainable dividends that income investors can count on in all market conditions, because the simple reality is that most bond yields just aren't high enough to generate the required income for clients. That means identifying companies that have sound balance sheets, track records of methodical dividend growth, and business models that are likely to survive even the	**6/2/2020**	**NOBL:** **27.05%** **DGRO:** **26.67%** **TDIV:** **23.97%**	**SPY:** **25.47%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Three Strategies to Gain Exposure to 5G **Strategy 1: The Chipmakers. QCOM (Qualcomm), MRVL (Marvel Technologies).** **Strategy 2: Radio Frequency Providers. QRVO (Qorvo).** **Strategy 3: The 5G ETF. FIVG (Defiance Next Gen Connectivity ETF).**	The focus of today's issue came from a subscriber request: **5G.** 5G is one of the biggest secular growth trends in the market, and by that, I mean trends that will continue in a positive direction regardless of what happens in the economy in the near term. Additionally, 5G is one of the most popular investing topics among regular investors, so we thought now would be a good time to do a "deep dive" in 5G and detail:	**6/30/2020**	**QCOM: 51.57% MRVL: 31.54% QRVO: -11.35% FIVG: 20.03%**	**SPY: 28.45%**
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	**7/14/2020**	**VGK: 5.53% FEZ: -4.01%**	**VTV: 36.03%**
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: 25.77% GERM: -18.19%**	**SPY: 23.25%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
What Outperforms in a Declining Dollar Environment **Falling Dollar Strategy 1: International Stocks. XSOE (WisdomTree Emerging Markets ex-State-Owned Enterprises Fund).** **Falling Dollar Strategy 2: Currencies. FXE. (CurrencyShares Euro Trust).** **Falling Dollar Strategy 3: Gold Miners. GDX (VanEck Vectors Gold Miners ETF).**	A sustained period of dollar weakness doesn't come along often (it last occurred in 2017) but when it does, it can create substantial outperformance in certain sectors and indices. We want to make sure you have a comprehensive "falling dollar" playbook for both general and tactical asset allocations, because the fundamentals for a sustained period of dollar weakness are as strong as they've been in years (surging U.S. debt/deficits and rebounding growth overseas).	**8/11/2020**	**XSOE:** **-12.41%** **FXE:** **-15.74%** **GDX:** **-29.60%**	**SPY:** **18.88%**
Ideas for When There's a COVID Vaccine Annoucement **JETS (U.S. Global JETS ETF)** **PEJ (Invesco Dynamic Leisure and Entertainment ETF)** **KBE (SPDR S&P Bank ETF)** **REZ (iShares Residential REITS ETF)**	I believe today's issue demonstrates why Alpha is the perfect complement to the daily Sevens Report, because early last week in the regular Sevens Report, we discussed broad sectors that would benefit and outperform if there is a positive announcement on a COVID-19 vaccine. **But, in today's Alpha issue, we follow up on that research and go much more in-depth to identify specific ETFs and stocks that:** • **Are outsized beneficiaries of a "return to normal" that likely will follow a successful vaccine** • **That are trading at historic discounts due to COVID 19 fallout and** • **Were good businesses before COVID 19, and likely will again be good businesses after the vaccine.**	**8/25/2020**	**JETS:** **-5.23%** **PEJ:** **11.74%** **KBE:** **44.74%** **REZ:** **34.51%**	**SPY:** **15.62%**
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 EV market.	**9/9/2020**	**ALB:** **113.60%** **SQM:** **177.20%** **LIT:** **91.14%**	**SPY:** **17.06%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Election Preview **Trump Wins** **Biden Wins** **No Clear Winner** **(Multiple ETFs Listed)**	We had long planned to release our Alpha Election Preview issue this week, as we knew that with the first debate a week away, investors focus would turn towards politics and we wanted to ensure you had a post-election roadmap, along with specific ETF ideas, for any election-related discussions with clients. But, that interest in the election will now be turbocharged with the surprise passing of Supreme Court Justice Ruth Bader Ginsberg. So, with six weeks to go until the election, we wanted to explore the three possible scenarios **(Trump wins/ Biden wins/No one wins right away)** and provide a tactical roadmap and identify ETFs that should outperform in each scenario.	9/22/2020	N/A	N/A
Finding Sustainable Growth in the Wellness Sector **PTON (Peloton)** **LULU (Lululemon)** **BRBR (BellRing Brands)** **BFIT (Global X Health & Wellness Thematic ETF)** **MILN (Global X Millenials Thematic ETF)**	Today's issue explores one of the sectors that we think will benefit from long-term changes in behavior from the pandemic: **The wellness sector.** Hopefully (and the data and history back this up) we are now closer to the end of the COVID-19 pandemic than we are the beginning, and once the pandemic ends, we believe life will return mostly to a pre-coronavirus normal. And we think that return to normal will disappoint very optimistic projections on some of the sectors that have outperformed due to COVID, like telemedicine, videoconferencing, widespread delivery, etc. But one sector we think can continue to see growth long after the world return to normal is the wellness sector, because this sector was experiencing substantial growth before the pandemic hit. And, the pandemic has just turbocharged that growth.	10/6/2020	PTON: -75.38% LULU: -28.75% BRBR: -17.15% BFIT: -24.99% MILN: -36.03%	SPY: -18.22%
SPACS **PSTH (Pershing Square Tontine Holdings)** **CCIV (Churchill Capital IV)** **SPAQ (Spartain Energy Acquisition Corp)** **SPAK (Defiance NextGen SPAC ETF)**	This issue was partially driven by client demand, **as we've started to field an increasing number of questions about SPACs from friends and colleagues (who are all clients of advisors), and given that, we believe that soon you may be asked by your clients about how to invest in a SPACs.**	11/3/2020	N/A	N/A

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
<u>Cyclical Rotation to Value</u> **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 – <u>and that keeping it simple in the value space yielded the best returns over the past several years.</u>	**11/3/2020**	**RSP:** **17.87%** **VTV:** **23.23%** **RPV:** **38.61%**	**SPY:** **11.83%**
<u>Four Post Election Tactical Strategies</u> **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.**	
<u>Bitcoin</u> **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:** **-45.83%** **BLOK:** **-36.90%** **ARKW:** **-61.18%**	**SPY:** **5.19%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue
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: -60.88%** **XITK: -46.42%** **IPAY: -37.85%** **FIVG: -3.95%** **LIT: 26.63%**	**SPY: 3.98%**
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: -7.85%** **NEE: 3.73%**	**SPY: 4.76%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue
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: 13.03%** **FDL: 23.40%** **RPV: 19.46%**	**SPY: 3.39%**
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: 53.91%** **GNR: 4.72%** **RTM: 6.59%** **JAAA: -1.26%**	**SPY: 1.26%**
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: -63.46%** **ARKG: -58.86%** **ARKW: -64.23%** **ARKF: -68.56%** **ARKQ: -37.92%**	**QQQ: -6.37%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
<u>What Should I Buy on This Tech Decline?</u> **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:** **-6.73%** **SMH:** **-11.17%** **TDIV:** **-2.07%**	**SPY:** **0.94%**
<u>Sector Winners and Losers from the Democratic Policy Agenda</u> **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:** **-34.04%** **VTEB:** **-5.97%** **PAVE:** **-8.22%** **QCLN:** **-23.33%**	**SPY:** **-3.69%**
<u>Four Small Cap ETFs for the Economic Recovery</u> **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:** **-28.72%** **FXG:** **6.43%** **RWJ:** **-7.19%** **ISCV:** **-7.45%**	**IWM:** **-19.77%**

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:** **-62.48%** **ETHE:** **-75.81%** **COIN:** **-76.84%** **VYGVF:** **-98.53%**	**SPY:** **-5.01%**
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:** **-10.66%** **VRP:** **-14.82%**	**SPY:** **-8.53%**
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:** **-7.25%** **NOBL:** **-6.88%** **DGRO:** **-4.83%** **MLPA:** **-9.91%** **RLY:** **-7.13%**	**SPY:** **-9.45%**
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:** **-22.01%** **CIBR:** **-10.41%** **BUG:** **-9.51%** **SKYY:** **-35.74%**	**SPY:** **-10.12%**

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: -58.10% EDOC: -35.19% HTEC: -34.24% GNOM: -41.32%**	**SPY: -10.44%**
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: -15.70% ACWI: -15.40% ACWV: -7.02% CRBN: -16.00%**	**SPY: -11.18%**
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 highs, so the risks can't be totally ignored, either.	**8/24/2021**	**FDN: -45.31% RHS: 6.95% FLTR: -2.23% BCI: 23.26%**	**SPY: -12.48%**
Learning to Live with COVID Vaccine Markers (Multiple Stocks & ETFs) Global X Telemedicine & Digital Health ETF (EDOC). Amplify Online Retail ETF (IBUY). VanEck Vectors Morning Star Durable Dividend ETF (DURA).	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, and the inspiration for this issue came from real life. We believe that reality will cause more permanent adoption of some "temporary" pandemic era behaviors, and we believe that should lead to some attractive investment opportunities.	**9/8/2021**	**MRNA: -58.33% BBH: -27.56% EDOC: -33.48% IBUY: -60.22% DURA: -2.82%**	**SPY: -12.57%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Hydrogen—The Next Stage of the Green Energy Revolution Plug Power (PLUG) Cummings (CMI) Defiance Next Gen Hydrogen ETF (HDRO)	Hydrogen has long been touted as a source of cleaner fuel for transportation and commercial uses. But it has always seemed like the decades-long play that just needs a little more technology or a breakthrough process to truly realize its untapped potential. But, over the past several months I've been digging into this space, and it started to make more sense from an investment perspective. I quickly realized just how much opportunity is at stake and why this moment in time is pivotal to the hydrogen development cycle.	**9/21/2021**	**PLUG:** **-30.14%** **CMI:** **-7.95%** **HDRO:** **-42.21%**	**SPY:** **-10.40%**
Buying Opportunities in "New Tech" Idea 1: Winning Streaming Wars (ROKU/SPOT) Idea 2: Next Evolution in Genetics (NVTA/CRSP) Idea 3: Future of Money (Z/COIN) Idea 4: Work from Anywhere (ZM)	Tech companies in the fields of robotics, fintech, biotech, clean tech, electric vehicles, cryptocurrencies, etc. have seen steep declines from the highs this year. With some of these stocks down more than 55% from the highs, they are now trading at far more attractive valuations than they have in years (and this is even more true following the weakness in the tech sector over the past week!) As such, we wanted to produce an Alpha issue that identifies potential opportunities in this "New Tech" space, as given the declines and the growth potential of some of these firms, the risk is now worth the reward for longer-term focused investors:	**10/05/2021**	**ROKU:** **-71.37%** **SPOT:** **-55.82%** **NVTA:** **-89.33%** **CRSP:** **-27.21%** **Z:** **-60.84%** **COIN:** **-77.13%** **ZM:** **-57.12%**	**SPY:** **-9.80%**
Tapping the Wisdom of Financial Celebrity DoubleLine Total Return Fund (DBLTX) DoubleLine Shiller Enhanced CAPE (DSEEX) Guggenheim Total Return Bond Fund Institutional Class (GIBIX). Guggenheim Strategic Opportunities Fund (GOF) WisdomTree U.S. Quality Dividend Growth Fund (DGRW), WisdomTree Emerging Markets es State-Owned Enterprises Fund (XSOE). O'Shares U.S. Quality Dividend ETF (OUSA) O'Shares Global Internet Giants ETF (OGIG)	The dual goal of Sevens Report Alpha is to 1) Furnish you with interesting investment ideas and strategies you can share with clients and prospects and 2) Identify funds and ETFs that can outperform, so with that dual goal in mind we analyzed the fund offerings of some of the most well-known "Market Mavens" that appear in the financial media so that you can turn any mention of these celebrities into an opportunity to impress clients with your knowledge, and possibly find an actionable investment idea. After a thorough search, we found four of these "Mavens" that had funds or ETFs that: 1, Could be attractive to clients and 2. Consistently beat the market. The four "Mavens" we profiled were: Jeffrey Gundlach (Doubleline Capital), Scott Minerd (Guggenheim Investments), Jeremy Siegel (WisdomTree), and Kevin O'Leary (O'Shares). In today's issue, profile two funds from each "Maven."	**10/19/2021**	**DBLTX:** **-8.71%** **DSEEX:** **-18.00%** **GIBIX:** **-12.86%** **GOF:** **-13.88%** **DGRW:** **-4.11%** **XSOE:** **-27.09%** **OUSA:** **-4.31%** **OGIG:** **-50.83%**	**SPY:** **-13.72%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Capitalizing on A New Era of Energy Investment SPDR S&P Oil & Gas Exploration and Production ETF (XOP) Invesco S&P Small Cap Energy ETF (PSCE) First Trust Natural Gas ETF (FCG) Global X MLP ETF (MLPA)	Today's Alpha issue is essentially a "follow up" to our recent Alpha webinar, where we focused on the energy industry and explained, in part because of environmental concerns, that energy prices could be sustainably higher for the foreseeable future. So, in this issue, we profile several energy ETFs that we believe have the most targeted exposure and stand to outperform in this new era of energy, one where a lack of increased production should keep prices high, and where Natural Gas sees sustained increases in demand due to the desire to burn the most "clean" fossil fuel while the world moves further towards renewables.	**11/2/2021**	**XOP:** **8.73%** **PSCE:** **0.61%** **MLPA:** **3.93%**	**SPY:** **-15.81%**
Metaverse Primer Meta Platforms Inc (FB) Roblox Corp (RBLX) NVIDIA Corp (NVDA) Amazon (AMZN) Microsoft (MSFT) Roundhill Ball Metaverse ETF (META)	Many analysts believe the "Metaverse" is the next evolution of the internet, and if that's true the long-term return potential is significant. So, we want to make sure you have the information you need to 1) Discuss the metaverse with any clients or prospects and 2) Identify the stocks and ETFs that stand to benefit from the continued growth of the Metaverse	**11/16/2021**	**Meta:** **-51.89%** **RBLX:** **-67.17%** **NVDA:** **-49.09%** **AMZN:** **-36.01%** **MSFT:** **-21.06%** **METV:** **-49.31%**	**SPY:** **-16.71%**
REITS As An Inflation Hedge Vanguard REIT ETF (VNQ) Pacer Benchmark Data and Infrastructure Real Estate SCTR ETF (SRVR) Pacer Benchmark Industrial Real Estate SCTR ETF (INDS) iShares Residential and Multisector Real Estate ETF (REZ)	According to a study we cited in today's issue, from 1972-2020, during periods considered moderate to high inflation, REITs actually outperformed the S&P 500! And, we're seeing that proved out so far this year, as VNQ, the largest and most diverse REIT ETF, is outperforming the S&P 500 (VNQ is up 26.6% YTD, while the S&P 500 is up 23% YTD). More specialized REITs have performed even better so far in 2021, and that's why, in addition to VNQ, in today's issue we focused on what we consider "REITs for the 21st Century." Here's what I mean: Because of uncertainty regarding future mall traffic and office demand (due to the ongoing pandemic) we are focused today's Alpha issue on REITs that have exposure to infrastructure and technology including data centers, communication hubs, industrial warehouse distribution centers, and medical-related industries:	**11/30/2021**	**VNQ:** **-11.90%** **SRVR:** **-14.26%** **INDS:** **-18.25%** **REZ:** **-10.04%**	**SPY:** **-14.19%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Best Performing COVID Strategies Strategy One: Mega-Cap Tech. XLK/VGT/FDN. Strategy Two: Online Spending. SHOP/IBUY. Strategy Three: Blockchain. BLOK (Amplify Transformational Data Sharing ETF). Strategy Four: Smart-Beta Industrials. PAVE (Global X U.S. Infrastructure Development ETF).	Today's issue focuses on strategies that have outperformed since the pandemic started in March of 2020 and should continue to outperform as the market realizes it's got to "live" with COVID. More specifically, the Omicron variant has again reminded people and markets that COVID is not going away and that we will have flare-ups from variants for the foreseeable future.	12/14/2021	**XLK: -21.53%** **VGT: -23.35%** **FDN: -39.85%** **SHOP: -75.88%** **IBUY: -49.90%** **BLOK: -52.49%** **PAVE: -17.10%**	**SPY: -15.66%**
Annual Contrarian Issue Contrarian Investment Idea 1: The China Growth Story Re-Emerges. KraneShares CSI China Internet ETF (KWEB) and WisdomTree China ex-State-Owned Enterprises Fund (CXSE). Contrarian Investment Idea 2: Gold & Silver Miners Dig Up Profits. VanEck Vectors Gold Miners ETF (GDX) and Global X Silver Miners ETF (SIL). Contrarian Investment Idea 3: Investors Flock To Low Volatility Sectors. Utilities Select Sector SPDR (XLU) and PowerShares S&P 500 Low Volatility ETF (SPLV).	Today's Alpha is our annual Contrarian Issue, where we identified some of the worst-performing sectors and factors for 2021 and analyzed them to identify three sectors that we think could be poised for a big turnaround in 2022. We have produced this annual Contrarian Issue for the last several years to serve two primary functions. First, I'm a contrarian investor at heart, and I always enjoy scouring what "didn't" work during an investment year to determine whether these relatively cheap sectors or factors present an attractive opportunity, as contrarian investing can lead to outperformance. Second, we like to provide these contrarian ideas so that if a client asks you "What's cheap right now?" or "Are there any opportunities from last year?" you have interesting, well-founded ideas that can impress clients and prospects.	12/28/2021	**KWEB: -20.65%** **CXSE: -16.83%** **GDX: -13.70%** **SIL: -32.98%** **XLU: -1.41%** **SPLV: -8.98%**	**SPY: -19.33%**
Practical Crypto Strategies for Clients Greyscale Bitcoin Trust (GBTC) Amplify Transformational Data Sharing ETF (BLOK) ProShares Bitcoin Strategy ETF (BITO)	The push of cryptos into the cultural mainstream in 2022, along with substantial investment gains over the past several years, has resulted in a surge in interest in crypto exposure from investors. And, while there remains a lot of risks associated with crypto trading, the bottom line is that an advisor can only dissuade a client from cryptos for so long before it hurts the relationship. Given that, our goal in today's Alpha issue is to highlight some of the best and most responsible strategies to provide clients with crypto exposure without taking an overabundance of risk.	1/11/2022	**GBTC: -58.33%** **BLOK: -49.29%** **BITO: -52.87%**	**SPY: -17.69%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Weathering Market Volatility with "Quality" ETFs. Quality Idea 1: Financials. First Trust Financials AlphaDex Fund (FXO). Quality Idea 2: Qualitative Value. ValueShares U.S. Quantitative Value ETF (QVAL). Quality Idea 3: Shareholder Yield. Cambria Shareholder Yield ETF (SYLD). Quality Idea 4: Core Value. Invesco S&P 500 Pure Value ETF (RPV).	This Alpha issue is an important complement to what we've been discussing in the regular Sevens Report, namely that we believe the best way to weather this increased volatility in markets is by allocating to "Quality" stocks, sectors, and ETFs. For us, "quality" means those stocks and ETFs with lower relative price-to-earnings (P/E) and price-to-book (P/B) ratios, strong free cash flow, and solid shareholder yield. We believe these stocks and sectors will be the most insulated from the effects of interest rate hikes, possibly slowing growth and other headwinds, and find themselves as high-quality landing spots for investment capital.	1/25/2022	**FXO:** **-12.88%** **QVAL:** **-12.16%** **SYLD:** **-11.39%** **RPV:** **-6.56%**	**SPY:** **-10.34%**
Finding Value and Opportunity in International ETFs Schwab Fundamental International Large Company Index ETF (FNDF). iShares Edge MSCI Intl Quality Factor ETF (IQLT). Vanguard International High Dividend Yield ETF (VYMI).	We've been talking a lot in the Sevens Report about wanting to allocate towards lower P/E sectors, and the fact is that quality international stocks in developed markets are currently trading at heavy discounts to the S&P 500. We think the combination of low valuations and less-aggressive central banks makes international exposure an important part of a diversified investment strategy going forward.	2/8/2022	**FNDF:** **-17.21%** **IQLT:** **-17.35%** **VYMI:** **-16.78%**	**SPY:** **-14.14%**
What Would Outperform If Markets Turn Around? SPDR FactSet Innovative Technology ETF (XITK) Vanguard Consumer Discretionary ETF (VCR) iShares Broad USD High Yield Corporate Bond ETF (USHY) SPDR Blackstone Senior Loan ETF (SRLN)	Today's issue was inspired by this thought: ***What if everything works out alright?*** Many analysts (including me) are concerned about numerous headwinds hitting the U.S. markets and a potentially volatile trading year. That opinion has been correct so far in 2022, and it's well-reasoned. But it's also a very popular view on the Street right now. So, in today's issue, we identify a playbook to outperform if, simply speaking, everything works out great!	2/23/2022	**XITK:** **-23.95%** **VCR:** **-15.62%** **USHY:** **-9.84%** **SRLN:** **-7.83%**	**SPY:** **-8.43%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue
Bear Market Playbook (What Worked Last Time) MINT (PIMCO Enhanced Short Term Maturity Active ETF) SGOL (Aberdeen Physical Swiss Gold Shares ETF) VNQ (Vanguard REIT ETF) FXG (First Trust Consumer Staples AlphaDEX Fund)	In today's Alpha issue, **we are going to examine what assets and sectors outperformed the last time we had a sustained, multi-year bear market (in the early 2000s).** Now, to be clear, we do not think a bear market is the most likely outcome for this market. If we thought that, we'd be advocating for much more defensive positioning in the Sevens Report. But, at the same time, the current bull market is facing formidable headwinds, and the path for the Fed to successfully remove accommodation without harming the recovery is becoming increasingly narrower. Given that reality, we think it's prudent to review the strategies that worked the last time we had a sustained, multi-year bear market so that we all have a playbook of how to protect client assets, should this unwanted outcome occur.	**3/8/2022**	**MINT:** **-1.76%** **SGOL:** **-15.34%** **VNQ:** **-10.74%** **FXG:** **1.36%**	**SPY:** **-7.54%**
Russia/Ukraine Ceasefire Playbook EMB (iShares J.P. Morgan USD Emerging Markets Bond ETF) HYEM (VanEck Emerging Markets High Yield Bond ETF) EUFN (iShares MSCI Europe Financials ETF) JETS (U.S. Global Jets ETF) FXE (CurrencyShares Euro Trust)	What happens to markets if there's peace in Russia/ Ukraine? That was a question that was emailed to me this morning by a subscriber, and it was incredibly well timed because today's Alpha issue is **focused on identifying potential opportunities in the market for when there is a ceasefire declared in the Russia/Ukraine war.** More broadly, the Russia/Ukraine war is devolving into a stalemate and at some point, there will be a ceasefire. And, given the intense market reactions to the conflict from certain sectors and regions, we think that a ceasefire announcement, whenever it comes, will create potentially substantial medium-and longer-term opportunities in some of the most beat down sectors of the market.	**3/22/2022**	**EMB:** **-10.92%** **HYEM:** **-10.66%** **EUFN:** **-17.89%** **JETS:** **-19.61%** **FXE:** **-9.07%**	**SPY:** **-13.65%**
Finding Opportunities in the New Energy Reality FCG (First Trust Natural Gas ETF) URA (Global X Uranium ETF) BOAT (Sonic Shares Global Shipping ETF) LNG (Cheniere Energy) FLNG (Flex LNG Ltd)	The Russia/Ukraine war has fundamentally altered the flow of energy around the world, as European countries wean themselves off Russian energy imports. This transition will take time and create opportunities across the energy sector, so today's Alpha issue is focused on identifying the strategies, sectors, and stocks that stand to benefit from this seminal shift.	**4/5/2022**	**FCG:** **-11.31%** **URA:** **-26.28%** **BOAT:** **-14.11%** **LNG:** **-11.42%** **FLNG:** **-2.40%**	**SPY:** **-13.94%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Staying Long With Lower Volatility ETFs. USMC (Principal U.S. Mega Cap ETF). SPHD (Invesco S&P 500 High Dividend Low Volatility ETF) XYLD (Global X S&P 500 Covered Call ETF)	I've made it no secret that I'm concerned about the longevity of the rally given the looming Fed tightening, yield curve inversions, high inflation, etc. But, history has shown us clearly that markets can rally, on average, 15% after a yield curve inversion, and that rally can last more than a year. Minimum volatility ETFs can provide general long exposure while also reducing the pain of sudden pullbacks, like we experienced several times in the first quarter.	4/19/2022	**USMC:** **-11.07%** **SPHD:** **-9.33%** **XYLD:** **-12.50%**	**SPY:** **-13.14%**
Contrarian Bond Strategy Vanguard Intermediate Term Bond ETF (BIV) iShare iBoxx Investment Grade Corporate Bond ETF (LQD) iShares Preferred and Income Securities (PFF)	This Alpha issue is one of the most contrarian issues we've produced since I started Alpha because we examine long opportunities in bond ETFs. The "bearish bond" thesis is well founded and widely adopted given high inflation and looming rate hikes. But there is another outcome that's possible where the economy slows quickly, inflation peaks and recedes, the Fed doesn't hike as much as expected, and today's bond yields become attractive over the medium and longer term. We wanted to provide a bond ETF playbook for that contrarian scenario.	5/3/2022	**BIV:** **-0.35%** **LQD:** **-1.33%** **PFF:** **-0.57%**	**AGG:** **-0.59%**
Assisting Clients Through a Potential Bear Market Bear Market Statistics Bear Market Psychology Specific Tips for a Bear Market	Recently I've had a clear increase in the number of friends and acquaintances asking if we're entering a bear market and if they should get out of the market. I told them this: History is very clear - Abandoning a long-term investment plan even in bear markets is not the right long-term decision. **So, we wanted to arm you with independent and unique research, talking points, and historical analysis that reinforces that staying the course through volatility is the right solution for long-term outperformance.**	5/17/2022	**No recommendations given.**	
Bottom Fishing in Beaten Down Stocks Netflix (NFLX) PayPal (PYPL) Ford (F) General Motors (GM) Etsy (ETSY) Penn National Gaming (PENN)	Today's issue is focused on identifying some of the most beaten-down stocks and sectors in the market today, because we know that while sentiment is very negative at the moment, there are contrarian clients who are looking for opportunities and we want to make sure you're prepared with a well-research list of individual stocks and ETFs. Additionally, we included an interactive table of 61 S&P 500 stocks that are trading below 10X earnings, and we also included other metrics such as Market Cap, Dividend Yield, and YTD Total Return.	6/1/2022	**NFLX:** **-8.91%** **PYPL:** **-13.46%** **F:** **-15.39%** **GM:** **-17.32%** **ETSY:** **6.29%** **PENN:** **5.30%**	**SPY:** **-6.00%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Bottom Fishing with ARK Fund's Favorite Stocks Zoom (ZM) Tesla Inc. (TSLA) Roku Inc. (ROKU) Block Inc. (SQ) Exact Sciences Group (EXAS)	Today's issue continues with the "Bottom Fishing" theme from our previous Alpha issue, and we're going to cover what is arguably one of the most followed ETFs and fund families in the markets: **ARKK and the ARK Funds.** The inspiration for this issue came from the research we performed for the previous Alpha issue. We learned that ARKK had not only fallen nearly 80% from the early 2021 highs but that ARKK was now trading *at or below* levels from before the pandemic even started. And, if we step back, it's hard to argue that the outlook for many of the biggest holdings in ARKK and across the ARK family of funds have worse business outlooks than before the pandemic even started.	**6/14/2022**	**ZM:** **2.86%** **TSLA:** **4.82%** **ROKU:** **16.93%** **SQ:** **7.21%** **EXAS:** **21.43%**	**SPY:** **3.01%**
Five Strategies for a Low Return Environment Strategy One: Effective Client Communication Strategy Two: Dividends Strategy Three: Short Term High Yield Debt Strategy Four: Cash is King Strategy Five: Precious Metals	The average annual return for the S&P 500 has been 15.5% over the past 12 years, far above the longer-term average of just over 9%, **so we think it's prudent for advisors to ensure they have strategies to generate Alpha should annual returns lag the longer-term average for the next few years.** So, in this issue we focused on 1) Techniques to help set the right expectations for clients for a potentially low return environment over the coming years and 2) Specific ETFs that we think can provide solid returns over the coming years amidst increased market volatility.	**6/28/2022**	**NOBL:** **0.62%** **SHYG:** **1.01%** **SGOL:** **-4.93%**	**SPY:** **0.90%**