SEVENS REPORT *alpha*

January 24, 2023

In Today's Issue

- **Opportunity in Long Bonds?** The future macroeconomic environment is one that likely will be defined by: 1) Slowing growth, 2) Falling inflation, and 3) Central bank rate cuts. In that environment, longer-dated fixed income should outperform and today's Alpha issue breaks down several best-of-breed investment vehicles for embracing duration in your bond portfolios.

- **Investment Idea 1: Long-Term Treasuries. SPDR Portfolio Long Term Treasury ETF (SPTL)**. Approximately one-third of the SPTL portfolio is allocated to Treasuries with maturities of 15-20 years, with the remaining two-thirds targeting 20-30 years. SPTL currently has $6.3 billion in assets, charges a rock-bottom expense ratio of 0.06%, and sports a 30-day SEC yield of 3.78%.

- **Investment Idea 2: Long-Term Corporate Bonds. PIMCO Long-Term Credit Bond Fund (PTCIX)**. PTCIX owns a diverse mix of investment-grade corporate, high-yield, U.S. Treasuries, and emerging market bonds. Approximately two-thirds of the portfolio are investment-grade corporates. PTCIX pays a 5.39% dividend yield and has an expense ratio of 0.57%.

- **Investment Idea 3: Municipal Bonds. VanEck Long Muni ETF (MLN)**. MLN has an effective duration of 10.48 years and sports a 30-day SEC yield of 3.73%. That equates to a taxable equivalent yield of 4.91% at a 24% federal tax rate and 5.92% TEY at the top-tier 37% fed tax rate. The fund also charges a modest 0.24% expense ratio.

Time to Get Long Bonds

One of the most common ways advisors generates alpha for clients is via buying sectors showing a high degree of relative momentum. That means identifying top-performing areas of the market and strategically allocating at an early enough juncture to capitalize on the additional marginal upside. They are then able to ride that wave of outperformance for as long as the trend remains intact and reap the consummate rewards that come with it.

Another form of often-overlooked alpha generation is the ability to shift gears and anticipate new emerging trends before they become overly popular or see a broader secular shift. That means you end up starting your position at the very genesis of a new investment thesis and are well positioned to profit from an even longer arc of escalating strength.

It's this latter method we identify annually with our "contrarian investments" report, which provides attractive opportunities in beaten-down areas of the market that are ripe for a countertrend rally.

We are taking that approach one step further this year by dovetailing it with a new secular opportunity in the bond market that we are excited to share with our subscribers. But first, let's review our positioning and recommendations over the last two years in the fixed-income realm.

We have been loudly and consistently advocating for investors to shift a substantial portion of fixed-income capital to short-duration bonds over the last year and a half. Why? Because we saw how far the bond market had overshot all reasonable fundamentals going all the way back to 2021, when rates were being hard pressed to the floor and asset prices were soaring.

Moving to short-duration funds such as the PIMCO Enhanced Short Maturity ETF (MINT) or JPMorgan Ultra-Short Income ETF (JPST) saved a lot of misery when compared to comparable credit quality funds with intermediate- or long-duration characteristics over this time frame. Advisors were able to achieve similar or better income for clients with far less interest rate risk using these short-duration ETFs or similar alternatives. That recommendation proved prescient and has achieved our goal of meaningful alpha within the bond sleeve of your portfolios.

Fast forward to early 2023 and the drum beat on Wall Street is louder than ever on these two economic elements:

1) Interest rates are rising globally, and the Fed is going to overshoot their target.

2) Inflation is still not fully under control.

The Fed has been aggressively ripping the front end of the yield curve to try and put the brakes on inflation without overtly breaking everything else along the way. The one thing they haven't absolutely signaled is where the terminal fed funds rate will be in this cycle and when they may even look at cutting interest rates to stimulate growth once more. They are on a single-minded path to follow the dot plots, which includes a number of additional rate hikes this year, and then a long-term pause in any fiscal policy changes to ensure their target is met.

The contrarian concept we now are finding increasingly more attractive at this juncture is to start looking at owning bonds with longer durations again.

	2022 return	Previous worst-performing 12-mo. period	Return
Intermediate-term U.S. Treasurys	**−10.6%**	Oct 1994	**−5.6%**
Total bond	**−13.1%**	Mar 1980	**−9.2%**
Long-term U.S. Treasurys	**−29.3%**	Mar 1980	**−17.1%**
Long-term investment grade	**−27%**	Jan 1842	**−22.9%**

Table: Gabriel Cortes / CNBC
Source: Analysis by Edward F. McQuarrie, professor emeritus, Santa Clara University

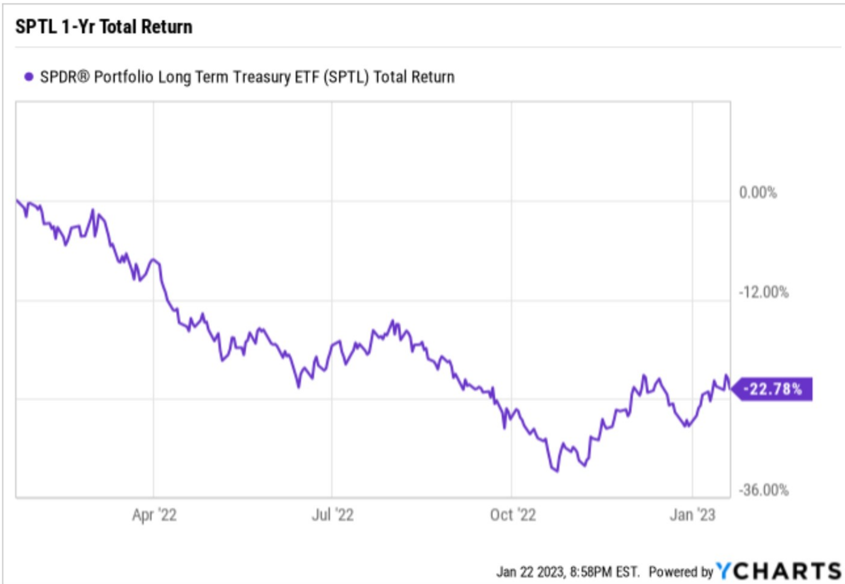
I know that may be a surprise given our previous focus on short-term debt, but think about it analytically for a moment. If the economy starts showing signs of slowing down (i.e. job losses, profit contraction, GDP tumbling, etc.) and we start to see inflationary trends recede, there is going to be a massive piling into the long end of the yield curve. Investors are going to chase yield, safety, and momentum once again in long-dated, high-quality debt.

The reasoning here is that if these economic factors are met, income investors are going to anticipate the Fed to pivot far sooner than their current charted course of fiscal policy. The Fed may ultimately be forced to start cutting interest rates on a shortened time frame and that would have a detrimental impact on the shorter end of the yield curve. Money is then going to chase its way further out in maturity. The rapid reset of any bond fund with an effective duration of less than one year means that you are going to see declining income streams in these vehicles. Think of it as the reverse effect of what we have been seeing over the last 12 months as income has ballooned consistently.

By contrast, a longer-dated paper should experience significant capital appreciation and a relatively consistent coupon rate. Many bonds with intermediate and long maturities fell by double-digit percentages last year in one of the worst performance periods for the Bloomberg US Aggregate Bond Index in decades (source). These are equity-like declines in fixed-income in what has been an outlier year by nearly any historical measurement, which means they are similarly capable of equity-like gains given the right set of circumstances where rates are once again forced to move lower.

The current known set of economic factors gives us confidence to start looking at this segment of the bond market once more with renewed optimism.

The following report breaks down several best-of-breed investment vehicles for embracing duration in your bond portfolios. These tools will provide your clients with a capable counterbalance to the risk of stagnation in stocks and commodities, while locking in an attractive income stream with meaningful capital appreciation potential.



Investment Idea 1: Long-Term Treasuries

Treasuries are going to be one of the most efficient sectors for capitalizing on a fresh uptrend in the bond market because of their benchmark inverse correlation to interest rates. Most investors who own Treasuries do so through intermediate bond funds with a conglomeration of other government debt. That's not necessarily a bad thing when you are building out a diversified core holding within your bond sleeve; however, there are times when you want to target specific areas of the yield curve to maximize an appealing investment opportunity.

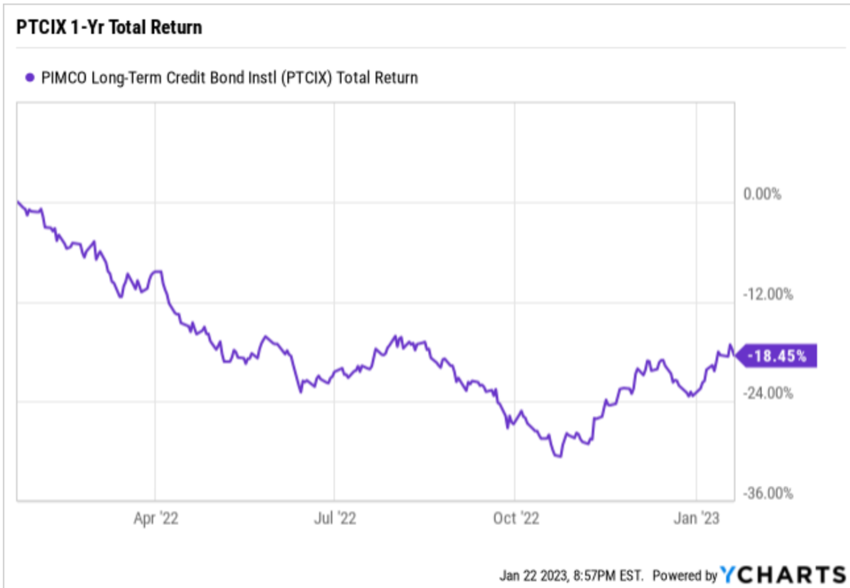
In this instance, that means targeting Treasuries with the longest maturities via the **SPDR Portfolio Long Term Treasury ETF (SPTL)**. This low-cost ETF seeks to offer precise, comprehensive exposure to U.S. Treasuries with remaining maturities of 10 or more years. Approximately one-third of the SPTL portfolio is allocated to maturities of 15-20 years, with the remaining two-thirds targeting 20-30 years. The result is a highly liquid and diversified basket of bonds that is ultra-sensitive to fluctuations on the long end of the U.S. Treasury yield curve.

Those results spoke for themselves in 2022 when this fund fell 29.38% in value over the full year time frame. That is the single-largest drop of any calendar year since the fund debuted in 2007. As you can see on the chart, the absolute low of this cycle thus far was notched in October and a modest rally has started to develop. It remains to be seen if this sector can break above its long-term trend lines and establish a more sustainable uptrend. That will be predicated on economic headlines as we continue to see conditions evolve this year.

SPTL currently has $6.3 billion in assets and charges a rock-bottom expense ratio of 0.06%. That makes it one of the most-liquid, low-cost, and tax-efficient vehicles for ETF investors to own in this space. The current 30-day SEC yield of this fund is 3.78% with distributions paid monthly to shareholders.

Many long-time market veterans will question how this fund stacks up against the well-known iShares 20+ Year Treasury Bond ETF (TLT). The answer is they have many similar qualities. The reasons we prefer SPTL are that it charges less than half the expense ratio of TLT and has exposure to nearly twice the amount of underlying bonds. Its lower cost and greater diversification give a slight edge to SPTL, in our opinion. These qualities also translated to a modest performance advantage to TLT on one-, three-, and five-year time frames.

Advisors that want to get even more aggressive in their directional play on falling interest rates on the long end of the curve may consider the **Vanguard Extended Duration Treasuries ETF (EDV)** as a performative vehicle. EDV owns 20-30-year Treasury STRIPS, a special type of bond that is productive in tracking interest rate trends rather than generating income.



Investopedia has a succinct summary of how these securities operate:

Treasury STRIPS are bonds that are sold at a discount to their face value. The investor does not receive interest payments but is repaid the full face value when the bonds mature. That is, they mature "at par." STRIPS is an acronym for Separate Trading of Registered Interest and Principal of Securities (source).

EDV fell more than 39% last year through one of the most difficult periods of its long tenure. The fund boasts more than $1.4 billion in assets and charges a modest 0.06% expense ratio. Investors who utilize EDV should be cognizant that the fund does pay an income stream, but that it is lumpy and inconsistent in its distributions. The true use case for this vehicle is as a method of capitalizing primarily on the inverse correlation of long bonds and interest rates.

It's certainly one of the more aggressive risk categories that would be most appropriate for investors that can stomach a heightened level of volatility. Nevertheless, this fund has the potential to meaningfully outperform virtually all other long-term bond ETFs should we see a significant decline in 30-Year Treasury yields.

Advisors that utilize these vehicles would be wise do to so in conjunction with steadily shifting more capital towards intermediate bonds. They can work well to supplement existing core holdings to tilt more of the fixed-income sleeve towards longer maturities.

Investment Idea 2: Investment-Grade Corporate Bonds

Treasuries are the benchmark of the fixed-income world due to their unrivaled AAA credit quality. However, there are many investors that would prefer to enhance their income streams with highly rated corporate bonds of similar duration characteristics. Investment-grade corporates allow income-hungry investors to experience a similar inverse relationship to interest rates with an attractive structural dynamic of additional marginal yield.

The fixed-income world is one where active managers have proven to add alpha during strategic turning points. Many advisors recognize this advantage and prefer to select a top-tier bond manager to strive for sustainable alpha. In our opinion, this cycle is well positioned to benefit one of the market leaders in the **PIMCO Long-Term Credit Bond Fund (PTCIX)**.

This fund is co-managed by Mark Kiesel (CIO of Global Credit) and Mohit Mittal (Portfolio Manager, Multi-Sector), two of the smartest minds in the bond fund world with access to the deep credit research capabilities of Newport Beach-based PIMCO. The objective of this fund is as follows:

Combining our top-down global macroeconomic analysis with our rigorous credit research, the fund seeks to outperform longer-duration benchmarks without excess volatility by investing primarily in *long-duration, investment-grade corporate and sovereign bonds.*

PTCIX owns a diverse mix of investment-grade corporate, high-yield, U.S. Treasuries, and emerging market bonds. Approximately two-thirds of the portfolio are investment-grade corporates as the true core of the strategy. The additional surrounding caste of sector holdings are designed to maximize yield or capitalize on structural value dislocations in various corners of the bond market.

Furthermore, the fund utilizes swaps and futures contracts to control its effective sensitivity to interest rates. Most of the underlying holdings are centered in the 10-20-year and 20-plus-year maturity categories. However, the active nature of the portfolio allows for an effective duration that typically hovers in the 11-13-year range. This is where the experience of the fund manager in credit selection and interest rate adjustments can provide an advantage over conventional index bond funds.

PTCIX fell by more than 26% last year along with the overall decline in long-duration paper. Nevertheless, the fund now is paying a healthy 5.39% dividend yield with income paid monthly to shareholders. The gross expense ratio of this institutional class mutual fund is a reasonable 0.57%.

PTCIX is designed for those investors that want to stretch duration exposure towards longer maturities, while simultaneously enhancing income stream when compared against Treasuries. It's also best suited for those that believe in the efficacy of active managers providing value within the fixed-income realm. This fund can be utilized successfully within a diversified retirement portfolio to boost overall monthly income generation and capitalize on a rebound in the bond sector.

Those investors that just want to stick with the purest and most low-cost indexes would be well suited to own the **Vanguard Long-Term Corporate Bond ETF (VCLT)**. This market-cap weighted index fund owns more than 2,600 bonds of publicly traded U.S. corporations that include well-known names such as AT&T, Boeing, and Bank of America.

Most of the exposure within VCLT are investment-grade ratings centered in the AA to BBB categories. The current composition of this ETF denotes an average effective maturity of 23 years, and it carries a miniscule 0.04% expense ratio. Total assets in VCLT stand at more than $4.7 billion and it trades millions of shares per day on average. The 30-day SEC yield of this fund is a healthy 5.29%.

This style of ETF is more appropriate for index enthusiasts that covet absolute low costs in a highly liquid and tax-efficient vehicle. Its broad coverage ensures that you will experience every facet of opportunity within the long-term corporate bond market.

Investment Idea 3: Municipal Bonds

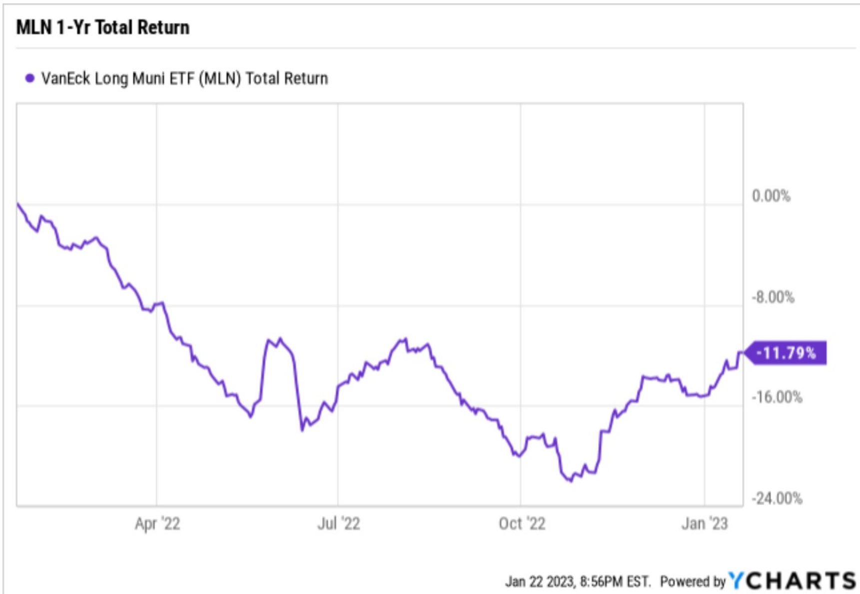
Advisors are often tasked with managing the reserves of larger non-qualified portfolios with an eye towards minimizing net taxation of income and capital gains. One method of achieving that objective is to utilize municipal bonds as a federally tax-free income stream with attractive credit qualities.

It's not uncommon for municipal bond funds to replace conventional aggregate bond funds or diminish their utilization in taxable portfolios with an eye towards efficient wealth accumulation. That means having several high-quality fund options at your disposal to allocate towards various market scenarios.

One such vehicle that aligns with our long bond thesis is the **VanEck Long Muni ETF (MLN)**. This index fund is intended to track the overall performance of the U.S. dollar-denominated long-term tax-exempt bond market. That includes nearly 500 securities of multiple states and jurisdictions with maturities that exceed 15 years in duration. Top states represented in the portfolio include New York, California, Texas, Illinois, and Pennsylvania.

One of the reasons investors are drawn to municipal bonds is their above-average credit quality and this fund is no exception. More than 85% of its holdings are investment-grade rated and skewed towards the AA and AAA end of the underwriting scale. That provides additional peace of mind that credit risk is low alongside the abundant diversification characteristics that distribute risk even further.

The portfolio analytics within MLN indicate an average portfolio maturity of 23.48 years with an effective duration of 10.48 years. Furthermore, it sports a 30-day SEC yield of 3.73% at current prices. That equates to a taxable equivalent yield of 4.91% at a 24% federal tax rate and 5.92% TEY at the top-tier 37% fed tax rate. The fund also charges a modest 0.24% expense ratio to manage its underlying holdings.



One interesting dynamic within the bond market last year is that the municipal sector experienced less drawdown than comparable aggregate bond benchmarks. This mitigated price action may be a comfort to conservative investors that are wary of volatility on their invested capital.

MLN experienced a total 2022 net return of 17.22% last year which was supported by a significant rally in the fourth quarter. It's likely that the counter-trend rally will continue to develop more steam should we start to see a contraction in U.S. economic statistics alongside a slowing of inflationary measures.

MLN is best suited as an opportunistic play on the collapse of interest rates on the long end of the curve for taxable portfolios. It's an advantageous way to enhance your total portfolio income streams while simultaneously targeting significant capital appreciation potential. Those wary of fully taxable income through the distributions of aggregate or multi-sector bond funds will be drawn to the above-average federally tax-free income this ETF has to offer.

Another excellent fund to consider in this segment is the five-star Morningstar rated **Vanguard Long-Term Tax-Exempt Adm (VWLUX)**. This open-ended actively managed mutual fund has been in existence for over two decades and is consistently one of the top performers in the long muni bond category. Its portfolio is more conservatively positioned in overall duration characteristics as compared to MLN with an average maturity of 16.5 years. That means it's going to have less volatility with respect to changes in interest rates as compared to funds targeting longer-dated bonds.

The fund owns more than 3,100 tax-exempt municipal bonds that combine to generate a 30-day SEC yield of 3.63% at current prices. Furthermore, the 0.09% expense ratio is extremely minuscule for an active strategy with the pedigree that VWLUX has attained. Investors who love the Vanguard style of conservative management combined with an ultra-low-cost expense structure will be drawn to this dynamic vehicle like a moth into flame.

It will admittedly not generate the same type of upside price action that longer-dated funds will during a slump in 30-Year U.S. Treasury yields. However, its consistent income and Goldilocks-style positioning within the municipal bond market may be just the right temperature for risk-averse investors.

Conclusion

Income investors have been wary of their exposure to longer-dated paper for some time now and transitioning back into that field is going to require counseling to liberate them of their fears. We recommend beginning to educate your clients about the benefits of having some modest exposure to this fixed-income segment as a practical matter of diversification and to act as a counterbalance to equity risk.

Now that bonds have been re-priced back to reasonable fundamentals, this asset class is expected to start acting like the shock absorbers they have always been during times of volatility in financial markets.

Best,

Tom

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Three Contrarian Ideas to Start 2023 ARK Next Generation Internet ETF (ARKW). Vanguard Communication Services ETF (VOX). iShares J.P. Morgan USD Emerging Markets Bond ETF (EMB).	This issue is our annual "contrarian" issue, where we present three contrarian strategies that we think can outperform in 2023 if consensus expectations for the economy, Fed policy, and inflation are proven false.	**1/10/2023**	**ARKW:** **14.30%** **VOX:** **5.84%** **EMB:** **2.76%**	**SPY:** **2.85%**
Three Strategies that Outperformed in 2022 and Should Outperform Again in 2023. Cambria Shareholder Yield ETF (SYLD). Invesco S&P 500 Pure Value ETF (RPV). PIMCO Enhanced Short Maturity Active ETF (MINT). JP Morgan Ultra-Short Income ETF (JPST) First Trust Consumer Staples AlphaDEX Fund (FXG). First Trust Natural Gas ETF (FCG).	This Alpha issue is our annual "Look Back" issue, where we take time to identify the ideas and themes that worked in 2022, identify some that did not, and address whether we think these performance trends will continue in 2023. Given expectations of economic and earnings recessions along with continued elevated geopolitical risks, we wanted to highlight three strategies that outperformed in 2022 and that we believe are poised to do so again in 2023. Finally, obviously every strategy didn't outperform in 2023 and one in particular that lagged was attempting dip buying in high-growth tech (ARK funds) and crypto ETFs.	**12/28/2022**	**SYLD:** **8.56%** **RPV:** **10.95%** **MINT:** **0.69%** **JPST:** **0.45%** **FXG:** **-0.05%** **FCG:** **7.26%**	**SPY:** **6.65%**
Navigating Crypto's 'Lehman Moment'	In this Alpha issue we are trying to cut through the noise and explain **1) The state of the industry post-FTX and 2) Identify ETFs we think are still legitimate options for exposure, so you have quality talking points and viable options for any crypto-related discussions with clients or prospects.** We utilized a Q&A format to enhance your knowledge and share a thoughtful approach to the crypto industry moving forward.	**12/13/2022**	**N/A**	**N/A**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Small Cap Stocks iShares Core S&P Small Cap ETF (IJR). Invesco S&P SmallCap 600 Revenue ETF (RWJ). Pacer U.S. Small Cap Cash Cows 100 ETF (CALF).	**Very quietly, small-cap stocks have outperformed the S&P 500 by 300 bps and the Nasdaq by 800 bps over the past five months.** And, due to multiple factors, small caps may now be poised to provide growth to portfolios over the medium and longer term. That may seem like an odd statement given small caps have lagged for the past decade, and now face a slowing economy and higher rates, which are generally considered negative for small-cap stocks. But, the numbers don't lie: Despite slowing growth and higher rates, small caps have outperformed over the past several months.	**11/29/2022**	**IJR:** **2.00%** **RWJ:** **2.63%** **CALF:** **0.47%**	**SPY:** **1.62%**
MOAT Stocks VanEck Morningstar Wide Moat ETF (MOAT). Morningstar ESG Wide Moat ETF (MOTE). VanEck Morningstar SMID Moat ETF (SMOT).	**This Alpha issue is focused on specific stocks that we think can best withstand the coming economic slowdown, and in doing so help clients outperform.** Specifically, as we approach this economic contraction, analysts are rightly advocating for stocks that are less sensitive to economic growth, have strong cash flows, and have low debt ratios, as they should relatively outperform in a slow growth/no growth environment. The moat methodology scores prospective companies via five criteria: **Switching Costs, Intangible Assets, Network Effects, Cost Advantage, and Efficient Scale.**	**11/1/2022**	**MOAT:** **13.75%** **MOTE:** **7.71%** **SMOT:** **10.73%**	**SPY:** **4.96%**
Opportunities in Municipal Bonds. JPMorgan Ultra-Short Municipal Income ETF (JMST). SPDR Nuveen Bloomberg High Yield Municipal Bond ETF (HYMB). IQ MacKay Municipal Intermediate ETF (MMIT).	Municipal bonds have been an unloved asset class for the past several years due to very low yields that sent investors to other corners of the fixed income markets. **But that has changed during the 2022 bond market rout and yields on munis now are at multi-year highs**. With federal funding still in place for pandemic programs, strong tax receipts, and a still-solid U.S. economy, **the credit outlook for municipal bonds is stronger than the muni bond price action would imply, and we think that creates a potential opportunity.**	**10/18/2022**	**JMST:** **1.28%** **HYMB:** **6.96%** **MMIT:** **5.57%**	**SPY:** **8.72%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Protection in a Deeper Bear Market. ProShares Short S&P 500 ETF (SH). ProShares Short QQQ (PSQ). Pacer Trendpilot US Large Cap ETF (PTLC). iShares 0-3 Month Treasury Bond ETF (SGOV).	Specifically, we identify three strategies to protect client portfolios if the lows are materially broken, and we are looking at another 10%-20% decline in the S&P 500. Our goal with these strategies is clear: *Minimize the losses and be able to "survive" to take advantage of the ultimate longer-term buying opportunity.* To be clear, a material break of the lows is not a foregone conclusion, and I hope none of these strategies are ultimately needed. It is possible that over the next several weeks/months we get 1) Better than feared earnings, 2) A decline in inflation via the September CPI, and 3) An eventual Fed pivot and markets find a bottom.	**10/4/2022**	**SHO:** **3.51%** **PSQ:** **-3.56%** **PTLC:** **0.99%** **SGOV:** **1.08%**	**SPY:** **6.76%**
Opportunities in the Nuclear Energy Revival Uranium Mining Stocks. Global X Uranium ETF (URA). Nuclear Utility Stocks. VanEck Uranium + Nuclear Energy ETF (NLR). A Cutting Edge Approach. NuScale Power Corp (SMR).	The Russia/Ukraine war has upset the global energy industry and as the EU and Britain scramble to find enough natural gas to satisfy their needs, **nuclear energy emerged as a potential solution not just to the current global energy shortage, but also to satisfy the increased future demand as reliance on fossil fuels declines.** More specifically, the Russia/Ukraine war has exposed a significant vulnerability in the EU's energy situation and reduced natural gas flows from Russia have resulted in European countries embracing alternative forms of energy production, including nuclear.	**9/20/2022**	**URA:** **3.40%** **NLR:** **3.11%** **SMR:** **-23.55%**	**SPY:** **3.55%**
Repositioning for Another Rollover Invesco S&P 500 Equal Weight Utilities ETF (RYU). Invesco S&P 500 High Dividend Low Volatility ETF (SPHD). The Best-Performing S&P 500 Stocks YTD (Excluding Energy). WisdomTree Floating Rate Treasury Fund (USFR).	We must acknowledge the possibility that the S&P 500 takes out new lows later this year, and the July/August rally was nothing more than a bear market bounce. **Given this possibility, we wanted to investigate the sectors, strategies, stocks, and ETFs that outperformed during the first six months of 2022.** We hope the analysis in this issue will serve as a potential blueprint for how to outperform if the last four months of 2022 look like the first six months of 2022.	**9/7/2022**	**RYU:** **-7.24%** **SPHD:** **3.17%** **USFR:** **1.41%**	**SPY:** **1.87%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Sustainable Investing Revisited Invesco MSCI Sustainable Future ETF (ERTH). iShares Self-Driving EV and Tech ETF (IDRV). SPDR S&P Kensho Clean Power ETF (CNRG).	The funding provided by the Inflation Reduction Act, combined with the higher gas prices and the energy security situation in Europe, has reinforced that the sustainable energy industry isn't just here to stay, **but that it'll continue to actively grow in the coming years.** In past market downturns, the renewable energy sector usually performed very poorly. However, during this market decline, select renewable energy ETFs have handily outperformed the S&P 500 and we think that outperformance underscores the fact that this is becoming a more mature industry.	8/23/2022	**ERTH: -11.27% IDRV: -1.28% CNRG: -4.73%**	**SPY: -2.59%**
The State of the Crypto Market Grayscale Bitcoin Trust (GBTC). Grayscale Ethereum Trust (ETHE). ProShares Bitcoin Strategy ETF (BITO). Amplify Transformational Data Sharing ETF (BLOK).	The cryptocurrency industry and markets have witnessed extreme turmoil so far in 2022, but the longer-term story and investor appeal of cryptocurrencies and blockchain technologies remain generally intact. So, we wanted to **provide an update on the state of the crypto markets and identify quality, actionable investments that have relatively weathered the storm should clients be interested in this segment.**	8/9/2022	**GBTC: -11.99% ETHE: -30.24% BITO: 3.02% BLOK: -17.31%**	**SPY: -2.38%**
Strategies for a Peak in Bond Yields First Trust NASDAQ Technology Dividend Index Fund (TDIV). Vanguard REIT ETF (VNQ). Pacer Benchmark Industrial Real Estate SCTR ETF (INDS). Pacer US Cash Cows 100 ETF (COWZ).	Yes, the Fed is set to hike the Fed Funds rate by another 100 – 200 basis points, but the long end of the yield curve is driven by inflation expectations and growth estimates, not directly by Fed rate hikes. So, if inflation is peaking and economic growth is rolling over (which is what the stock bulls are betting on) then longer dated bond yields will also peak, regardless of Fed Funds hikes. As such, we wanted to identify ETFs that have high dividend yields and that can weather economic downturns, as they should outperform as bond yields decline, because happen sooner or later yields will peak (and we'll keep you updated on the movements in the regular Sevens Report).	7/26/2022	**TDIV: 1.78% VNQ: -4.36% INDS: -3.76% COWZ: 12.79%**	**SPY: 3.62%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Sectors that Outperformed During Recent Recessions Vanguard Health Care ETF (VHT) IShares U.S. Healthcare Providers ETF (IHF) Vanguard Consumer staples ETF (VDC) Invesco Dynamic Food and Beverage ETF (PBJ)	In this Alpha issue we examined sector performance during recent recessions to determine: • If defensive sectors really do outperform during economic contractions and • Which defensive sectors have the best track record of performance leading up to, during, and after recessions. And, our research for this issue revealed a clear conclusion: **Namely, that defensive sectors broadly and specifically the consumer staples and health care sectors demonstrated consistent patterns of outperformance leading up to, during, and following recessions.**	**7/12/2022**	**VHT:** **4.86%** **IHF:** **0.64%** **VDC:** **3.08%** **PBJ:** **5.25%**	**SPY:** **6.36%**
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:** **8.73%** **SHYG:** **6.66%** **SGOL:** **5.68%**	**SPY:** **6.42%**
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:** **-33.36%** **TSLA:** **-35.40%** **ROKU:** **-26.81%** **SQ:** **32.27%** **EXAS:** **84.76%**	**SPY:** **8.83%**

Sevens Report Alpha Fund & Stock Ideas

<table>
<tr><th>Fund/Stock</th><th>Strategy</th><th>Date</th><th>Total Return</th><th>Benchmark Performance Since Issue Date</th></tr>
<tr><td>Bottom Fishing in Beaten Down Stocks
Netflix (NFLX)
PayPal (PYPL)
Ford (F)
General Motors (GM)
Etsy (ETSY)
Penn National Gaming (PENN)</td><td>This 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.</td><td>6/1/2022</td><td>NFLX:
86.20%
PYPL:
-3.81%
F:
-2.96%
GM:
-4.44%
ETSY:
72.62%
PENN:
5.68%</td><td>SPY:
-0.64%</td></tr>
<tr><td>Assisting Clients Through a Potential Bear Market
Bear Market Statistics
Bear Market Psychology
Specific Tips for a Bear Market</td><td>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.</td><td>5/17/2022</td><td>No recommendations given.</td><td></td></tr>
<tr><td>Contrarian Bond Strategy
Vanguard Intermediate Term Bond ETF (BIV)
iShare iBoxx Investment Grade Corporate Bond ETF (LQD)
iShares Preferred and Income Securities (PFF)</td><td>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.</td><td>5/3/2022</td><td>BIV:
-1.83%
LQD:
-1.91%
PFF:
-0.93%</td><td>AGG:
-2.45%</td></tr>
<tr><td>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)</td><td>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.</td><td>4/19/2022</td><td>USMC:
-10.76%
SPHD:
-7.70%
XYLD:
-17.78%</td><td>SPY:
-9.75%</td></tr>
</table>

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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:** **7.68%** **URA:** **-11.81%** **BOAT:** **-4.85%** **LNG:** **10.80%** **FLNG:** **17.40%**	**SPY:** **-9.80%**
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:** **-3.72%** **HYEM:** **2.13%** **EUFN:** **5.64%** **JETS:** **-1.46%** **FXE:** **-2.04%**	**SPY:** **-9.47%**
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.	**3/8/2022**	**MINT:** **-1.48%** **SGOL:** **-6.45%** **VNQ:** **-13.82%** **FXG:** **2.83%**	**SPY:** **-3.53%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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:** **-24.74%** **VCR:** **-14.94%** **USHY:** **-8.32%** **SRLN:** **-6.70%**	**SPY:** **-4.82%**
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:** **-3.95%** **IQLT:** **-3.73%** **VYMI:** **-4.57%**	**SPY:** **-9.51%**
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:** **-0.28%** **QVAL:** **1.87%** **SYLD:** **3.81%** **RPV:** **6.55%**	**SPY:** **-6.07%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: -59.45% BLOK: -50.51% BITO: -45.87%	SPY: -14.52%
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: -7.02% CXSE: -16.89% GDX: 3.33% SIL: -16.14% XLU: -1.54% SPLV: -7.16%	SPY: -15.84%
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: -19.57% VGT: -21.45% FDN: -38.41% SHOP: -68.05% IBUY: -45.99% BLOK: -53.35% PAVE: 0.64%	SPY: -11.66%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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."	11/30/2021	VNQ: -13.28% SRVR: -20.89% INDS: -19.32% REZ: -16.92%	SPY: -10.15%
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: -58.41% RBLX: -69.00% NVDA: -37.11% AMZN: -45.14% MSFT: -27.28% METV: -49.69%	SPY: -12.78%
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: 37.52% PSCE: 30.57% MLPA: 27.19%	SPY: -11.40%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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).	10/19/2021	**DBLTX: -9.48%** **DSEEX: -15.98%** **GIBIX: -11.81%** **GOF: -6.46%** **DGRW: 3.30%** **XSOE: -21.65%** **OUSA: -0.08%** **OGIG: -53.54%**	**SPY: -9.25%**
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: -82.23%** **SPOT: -55.52%** **NVTA: -89.83%** **CRSP: -50.52%** **Z: -49.33%** **COIN: -77.01%** **ZM: -72.39%**	**SPY: -5.51%**
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: -32.90%** **CMI: 13.61%** **HDRO: -44.87%**	**SPY: -5.69%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: -54.13%** **BBH: -22.36%** **EDOC: -34.06%** **IBUY: -60.09%** **DURA: 3.63%**	**SPY: -10.17%**
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 set-up). But, stagflation risks are still at multi-decade highs, so the risks can't be totally ignored, either.	**8/24/2021**	**FDN: -44.02%** **RHS: 8.66%** **FLTR: 1.64%** **BCI: 20.10%**	**SPY: -8.42%**
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: -8.42%** **ACWI: -8.52%** **ACWV: -4.37%** **CRBN: -9.42%**	**SPY: -6.55%**
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: -61.44%** **EDOC: -33.64%** **HTEC: -34.36%** **GNOM: -41.70%**	**SPY: -5.82%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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: -27.18% CIBR: -16.57% BUG: -26.41% SKYY: -42.37%	SPY: -6.24%
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: 6.95% NOBL: -0.26% DGRO: 0.75% MLPA: 6.06% RLY: -2.10%	SPY: -5.51%
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.	6/2/2021	IVOL: -21.73% VRP: -11.27%	SPY: -4.58%
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: -63.26% ETHE: -73.37% COIN: -76.74% VYGVF: -98.53% (Closed)	SPY: -0.08%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Four Small Cap ETFs for the Economic Recovery **Invesco S&P Small Cap Consumer Discretionary ETF (PSCD)** **First Trust Consumer Staples AlphaDex Fund (FXG)** **Invesco S&P SmallCap 600 Revenue ETF (RWJ)** **iShares Morningstar Small-Cap Value ETF (ISCV)**	Much of the "economic reopening trade" has been focused on large travel and leisure companies, and many of those names have seen huge gains over the past year. But they are now saddled with massive debts and ballooning capital structures that could be headwinds on investor returns going forward. **Many smaller stocks, however, were able to utilize government programs (PPP and others) to recapitalize healthily over the past year and those that have survived to this point are now in an extremely favorable position to capture future opportunities as the economy reopens.** So, we want to make sure you know which ETFs can give you exposure to quality small-cap companies that are 1) Financially sound, 2) Exited the pandemic with their business intact, 3) Stand to benefit from an acceleration in the economy, and 4) Could see earnings surge as the economic reopening continues.	**4/20/2021**	**PSCD:** **-18.37%** **FXG:** **9.39%** **RWJ:** **6.52%** **ISCV:** **2.69%**	**IWM:** **-11.79%**
Sector Winners and Losers from the Democratic Policy Agenda **Global X Millennials Thematic ETF (MILN)** **Vanguard Tax-Exempt Bond ETF (VTEB)** **Global X U.S. Infrastructure Development ETF (PAVE)** **First Trust NASDAQ Clean Edge Green Energy Index Fund (QCLN)**	Throughout most of the first quarter, markets embraced Democrat control of the government because it meant massive stimulus, and that expectation has been met. However, now the focus is turning to less growth-friendly policies, including potentially higher taxes and increased regulation. While these policies will impact the markets broadly, they'll also impact specific sectors even more than the broad markets. So, we want to arm you with the tools for identifying and deploying to areas of the market that should experience positive effects during this political environment, and know which sectors stand to get hurt given potential policies from Washington.	**4/6/2021**	**MILN:** **-30.92%** **VTEB:** **-4.08%** **PAVE:** **11.56%** **QCLN:** **-22.07%**	**SPY:** **1.39%**
What Should I Buy on This Tech Decline? **Invesco S&P 500 Equal Weight Technology ETF (RYT).** **VanEck Vectors Semiconductor ETF (SMH).** **First Trust NASDAQ Technology Dividend Index Fund (TDIV).**	If a client comes to you and asks, "What Should I Buy on this Tech Decline?" we want to make sure you have a set of ETFs that provide exposure to **solid, proven tech companies that aren't trading at sky-high valuations** because for the last several decades buying core, large cap tech stocks on any sustained underperformance has been a very profitable long-term strategy.	**3/23/2021**	**RYT:** **3.03%** **SMH:** **3.33%** **TDIV:** **1.40%**	**SPY:** **5.69%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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:** **-68.85%** **ARKG:** **-62.12%** **ARKW:** **-68.21%** **ARKF:** **-66.69%** **ARKQ:** **-43.01%**	**QQQ:** **-6.25%**
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:** **49.43%** **GNR:** **30.36%** **RTM:** **19.34%** **JAAA:** **2.23%**	**SPY:** **6.58%**
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		
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:** **19.58%** **FDL:** **33.20%** **RPV:** **33.54%**	**SPY:** **6.24%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Older Alpha Fund & Stock Ideas and Performance	Please click here to view the full list of Alpha ideas and performance back to the start of the service in 2017.			