SEVENS REPORT

alpha

June 13, 2023

In Today's Issue

- Artificial Intelligence (AI) is the new "hot" investment sector, and AI focused companies have posted very strong YTD performance. We provided an AI primer on March 7 as enthusiasm on this topic was starting to simmer, and the ETFs featured in that research have returned an average of 17%.

- However, with excitement around AI hitting a fevered pitch, we wanted to dedicate a second Alpha issue to examine some of the best AI stocks and ETFs, and also to develop additional talking points and level-headed analysis that you can use with clients to build responsible portfolio management strategies around it.

- **Industry Sectors Likely to Substantially Benefit from AI:** Transportation, Education, Healthcare, Manufacturing, Financial Services & Customer Services are the industries likely to see some of the biggest positive impacts on profitability from the adoption of AI.

- **Reviewing Previous AI ETFs: AIQ, SKYY, QTUM.** On March 7 we profiled three AI ETFs: Global X Artificial Intelligence & Technology ETF (AIQ), up 20%. First Trust Cloud Computing ETF (SKYY), up 17%. Defiance Quantum ETF (QTUM), up 14%. We update that analysis inside.

- **Two New AI ETFs: TrueShares Technology, AI, and Deep Learning ETF (LRNZ)**. **WisdomTree Artificial Intelligence and Innovation Fund (WTAI)**. Both LRNZ and WTAI are relatively new ETFs with low assets, but LRNZ provides an actively managed AI exposure while WTAI gives equal-weight exposure to the AI sector. LRNZ has gained 35% YTD while ATAI has rallied 31% YTD.

Artificial Intelligence Investing: Part 2

The number one topic that has captivated the market narrative this year has been artificial intelligence (AI). Much of this enthusiasm was initially spawned by the release of ChatGPT, which showed mainstream internet-connected users what possibilities exist with generative AI.

The bull rush of excitement surrounding this technology is partly why the markets have forgone a secondary test of the October lows. Mega-cap tech stocks such as Apple, Microsoft, Nvidia, Tesla, Alphabet (Google), and Meta Platforms (Facebook) have acted as buoys to bolster the price action of the major market indices. Why? Because all have promising hardware or software roadmaps that tout the development of artificial intelligence.

While the aforementioned AI-exposure stocks are far more than just AI plays, there are also many pure-play stocks in the space that are either at a start-up level or very young. Yet no matter how hot a sector is, not every startup or newbie in a sector is going to be a success. The same applies to AI. In fact, the odds are that most of the promising features are still a significant distance from real-world execution.

Elon Musk once said, "Prototypes are easy. Production is hard." That expression perfectly aligns with the reality of the AI world. Dreaming of all the possibilities is the easy part. Turning those dreams into a tool or program that works 100% of the time is a whole different ball game.

We have all heard that AI is the future. The real question is just how long will it take for this technology to be adapted into our everyday lives and make a significant impact? Stocks right now seem to be trading like it is months away rather than years away. Our take is that the technology is revolutionary but will require time to be adapted for specific use cases at large-scale corporations and to improve productivity to a meaningful degree.

We did an initial primer on this topic back in March as the heat around AI was starting to simmer. As the

fire of enthusiasm burns brighter, we want to take a closer look at what this technology does now, what it's expected to do in the future, and what the potential risks are.

Our goal is to develop additional talking points and level-headed analysis that you can use with clients to build responsible portfolio management strategies around it. In the following pages we dig deeper into the potential applications of this technology and how investors can get access to it for long-term growth.

A Deeper Dive into the Future of AI

The existing infrastructure that supports generative AI and large language models are impressive in their capabilities. Most users who have experimented with this technology through a platform such as ChatGPT would refer to it as a more entertaining search engine. It's able to produce complex answers to questions that would normally be represented as links or source material to explore further. This platform is exciting to use and has clearcut potential under ideal circumstances. It's also incredible that it garnered more than 100 million users in the first two months after its November 2022 launch.

However, there are also bugs that need to be worked out for these models to become truly reliable to the extent that users can trust the output implicitly. The system commonly produces responses that are nonsensical or outright incorrect, which can lead to confusion. Fortunately, each new generation is likely to improve on the prior and increase the accuracy of the results.

What else can AI technology do today? The answer is quite a bit. It can read, write, see, hear, speak, debate, play games, write code, control movement, and a host of other tasks. Creative processes that include things such as pictures, art, or movies can now be generated with AI technology by defining your intended outcome and refining each iteration until it satisfies your needs.

From a business standpoint, the potential is clearly next-level. Numerous administrative tasks can be

automated with AI technology. Entire portions of sales and marketing can be programmed to respond to potential client needs or market conditions. It can augment productivity in a dedicated customer service department. There are also very clear operational efficiencies that can be enhanced through the deployment of AI and robotics to control supply chains, logistics, and production.

A recent study conducted by MIT and Stanford proved that there were impressive and measurable gains to be had by utilizing generative AI in a real-world business setting. Researchers measured the productivity of more than 5,000 customer support agents, based primarily in the Philippines, at a Fortune 500 enterprise software firm over the course of a year.

Their analysis concluded that these agents were able to increase their number of issues resolved per hour by 14% on average using AI. Furthermore, the gains were even more pronounced for novice or low-skilled workers who were able to complete tasks 35% faster than before. This led to happier customers, less-frequent intervention by managers, and more satisfied workers ([source](#)).

These types of widespread applications are not far off at all, and the infrastructure exists to deploy them effectively. The greatest hurdle is businesses investing in this new hardware and software along with trusting its reliability to increase productivity or reduce existing headcounts.

A recent report from Goldman Sachs forecasted that generative AI could affect up to two-thirds of how current jobs are performed and raise global gross domestic product by as much as 7% ([source](#)).

One of their key findings is a statement that we find entirely rational:

Although the impact of AI on the labor market is likely to be significant, most jobs and industries are only partially exposed to automation and are thus more likely to be complemented rather than substituted by AI. In our baseline, these assumptions would be consistent with 7% of current US employ-

ment being substituted by AI, 63% being complemented, and 30% being unaffected, though the ultimate effects will depend on how labor demand and occupational workloads evolve in response to partial labor savings in the majority of occupations.

Essentially, they are confirming that AI is unlikely to wholly replace entire legacy industries or workforces. Its greatest potential is to supplement or complement existing workflows to increase productivity globally. Some jobs will probably be lost, but of course others will be gained in the evolution of these systems.

Comparing the timeline of previous milestone technologies can give us some insight into just how quickly we can expect a productivity boom to take hold. The chart here shows the productivity booms from the development of the electric motor and personal computer. In both instances, it took roughly 20 years to achieve measurable productivity gains through widespread adoption.

The difference with AI is that much of the productivity is going to be silent and harder to measure. Tracking the speed of cognitive work performed by professionals is much different than calculating industrial output. The potential upside is undoubtedly massive and will lead to compounded throughput over the next several decades.

You may be wondering what those leaps forward will look like in terms of economic impact. Here are some potential long-term innovations stemming from this developing technology.

- **Transportation** – Breakthroughs in autonomous vehicles is a likely next step that has been touted for some time. This will ultimately include the ability for cars to communicate with each

other and monitor their surroundings on the roads to avoid accidents.

- **Education** – AI will allow different types of learning and tailor methods specifically to individual student needs. This is likely to include virtual tutoring and mentoring on a wide range of subjects and books.

- **Healthcare** – Diagnostics is a highly touted use case for artificial intelligence to identify diseases from advanced medical testing and recommend treatments to doctors. This would improve global healthcare exponentially and reduce errors in misdiagnoses.

- **Manufacturing & Logistics** – The combination of robotics and artificial intelligence will allow goods to be assembled with precision and over a seamless uninterrupted timeline.

- **Financial Services** – Artificial intelligence is likely to benefit underwriting, risk control, and credit use from banks by quickly identifying anomalies and recommending a course of action to protect the customer or firm.

- **Customer Service** – AI will be able to troubleshoot and recommend strategies to solve customer problems at the same level or better than a human operator.

This list merely scratches the surface of the technological capability AI has to offer and will undoubtedly evolve as we gain a greater understanding of the societal impact. Furthermore, it's also worth exploring the risks these new platforms can potentially introduce as they become more fully developed.

Exhibit 12: Previous Milestone Technologies Have Led to Labor Productivity Booms, but the Timing Is Hard to Predict
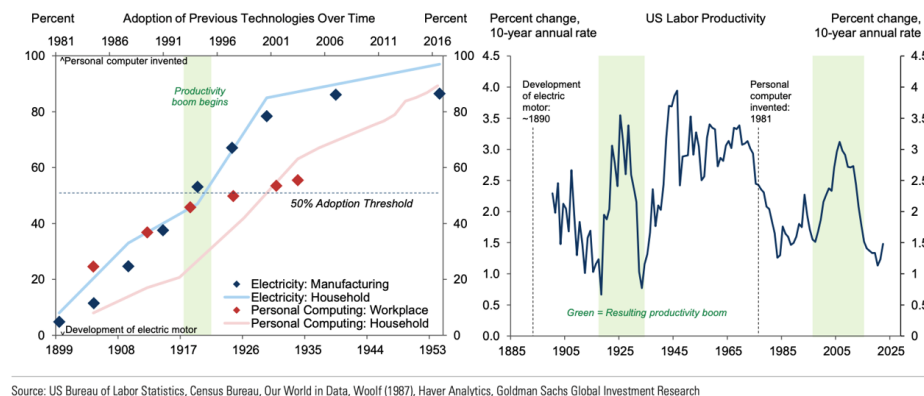
Source: US Bureau of Labor Statistics, Census Bureau, Our World in Data, Woolf (1987), Haver Analytics, Goldman Sachs Global Investment Research

Reviewing and Renewing AI Investment Themes

Creating a sensible and efficient strategy to allocate to artificial intelligence must start with a clear understanding of the available investment offerings. Many research outlets will focus on picking individual stocks as a driver of outsized gains in this arena. While that is likely to be true for some lucky companies, there are also going to be those that fall short of generating attractive shareholder returns.

Our preferred method to mitigate this risk is to select a diversified or strategically focused ETF with access to a basket of stocks. This allows you to participate in the broader thematic drivers behind the AI boom without betting the house on a few individual holdings.

To refresh your memory, our initial AI primer (released on March 7, 2023) highlighted the following funds as market leaders in this field:

- **Global X Artificial Intelligence & Technology ETF (AIQ)**. This AI-focused ETF was released in 2018 and has exposure focused on large-cap tech companies that are heavily investing in AI. What makes this ETF unique is it gives exposure to the entire AI value chain including chipmakers, cloud stocks, big data processors, and more. **Total Return Since March 7: +20.06%**
- **First Trust Cloud Computing ETF (SKYY)**. Cloud computing is a critical part of AI infrastructure, and as AI grows it'll increase demand for cloud computing capacity. SKYY is one of the largest and most liquid cloud focused ETFs with large-cap cloud names such as MongoDB (MDB), Oracle (ORCL), Nutanix (NTNX), Microsoft (MSFT),

and Arista Networks (ANET) among top holdings. **Total Return Since March 7: +16.80%**
- **Defiance Quantum ETF (QTUM)**. Quantum computing will be instrumental in the evolution of AI, and QTUM follows a rules-based index that identifies top companies engaged in advanced hardware, software, and data connectivity solutions that are critical to the evolution of AI. **Total Return Since March 7: +14.20%**

Each of these solutions represents a unique opportunity within the AI value chain with a strategic focus that investors can leverage to their advantage.
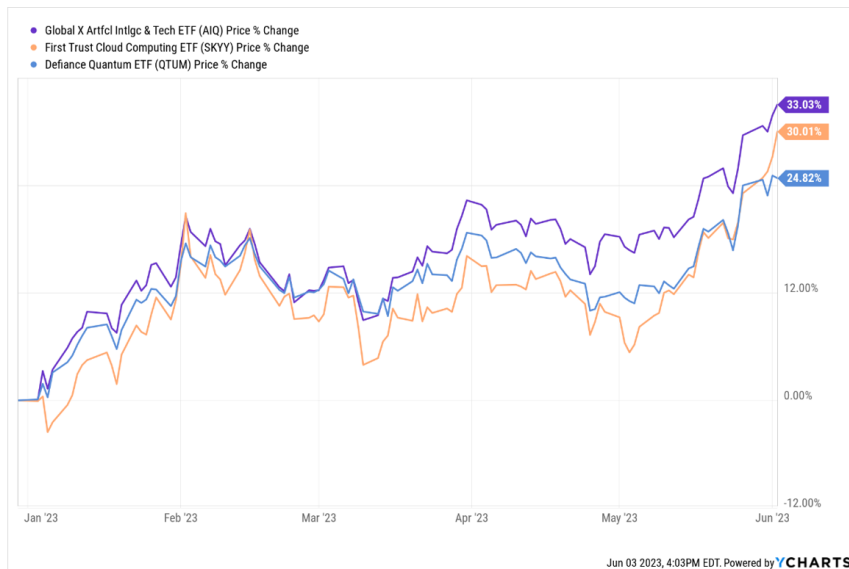
Furthermore, their attractive total return metrics in such a short period underscore the ability to generate significant alpha through the AI growth cycle. While these funds are some of the larger and more heavily traded tools to access this theme, there are also several emerging strategies that are worthy of further evaluation.

An Actively Managed Solution

The index approach to investing provides a dependable framework regardless of market conditions, business factors, and behavioral biases. Investors love indexes because they don't deviate from their rules-based methodology. You know exactly what you get and where you stand at any given moment. Yet when it comes to emerging technologies with euphoric momentum dynamics in play, there is something to be said for an active manager utilizing qualitative market research and selecting/sizing holdings according to an educated risk paradigm. This style is the driving force and unique value proposition behind the actively managed **TrueShares Technology, AI and Deep Learning ETF (LRNZ)**.

LRNZ debuted in February 2020 and has largely flown under the radar having amassed just $25mm in total assets thus far. Despite that slow start, the bright spotlight on the AI sector is likely to boost interest in this fund as a destination for active share throughout the industry. The fund is managed by Black Hill Capital Partners, which boasts extensive experience in technology-related sectors. Its core purpose is to select 20-30 holdings within the AI and deep learning realm with hypergrowth potential. Some of the key tenants to the LRNZ portfolio include the following characteristics:

- Exposure to a new-economy asset class with a concentrated portfolio of stocks.
- Seeks competitive performance by applying active management to capitalize on market inefficiencies.
- Led by a portfolio manager with the ability to conduct extensive, independent, qualitative, and quantitative fundamental research.

This differentiated and focused approach creates a clear distinction in the underlying portfolio makeup versus conventional benchmarks. The number one holding in LRNZ is still Nvidia Corp. (as is the case with most AI funds), but that is followed very tightly by other unconventional core stocks. These include Snowflake, Samsara, Advanced Micro Devices, and Schrodinger Inc. The top five holdings account for just over one-third of the total portfolio as of this report.

That active share has translated to a modest relative performance gain versus the index based AIQ on a year-to-date basis. More importantly, the price patterns of this fund show distinctive attributes that correlate with an alpha-generating opportunity. It's

encouraging to see the momentum throughout this sector has pushed LRNZ to hit a new 52-week high with a sharp upside move in May.

The obvious drawback to a fund with a small asset base is the spotty daily trading volume that makes it difficult for advisors to purchase shares in larger quantities. Fortunately, all the underlying holdings are heavily traded and very liquid securities, which means limit orders can be used for those that are enthusiastic about the prospects of this distinctive investment strategy. It should also be noted that the expense ratio of LRNZ is a reasonable 0.68%.

The best use case for LRNZ is as a complement to a conventional index-based ETF such as AIQ or QTUM. Its ability to focus on specific pure-play holdings within the AI sector should ultimately translate to a performance that supplements other core equity holdings.
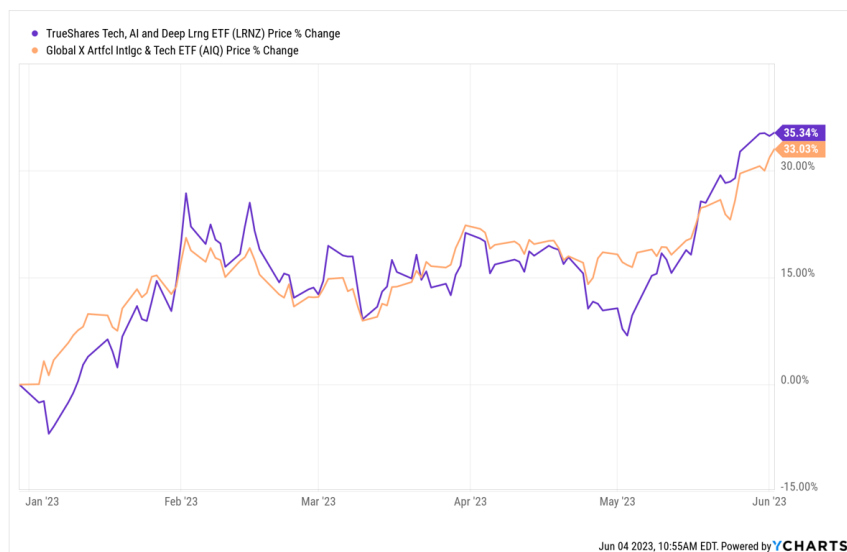
Additionally, even if you don't own it, it would be worth [bookmarking its holdings page](#) and periodically revisiting its portfolio makeup as you appraise the development of the AI investment case. This method allows you to stay on top of the active research and high-conviction stocks in LRNZ, which may lead to creative idea generation for your client portfolios.

An Equal-Weighted Solution

One of the more recognizable attributes of conventional index funds is their market-cap-weighted nature promotes larger stocks within the portfolio basket. This can lead to significant concentration in mega-cap stocks that may not demonstrate the same growth rates as small- and mid-cap companies with attractive upside potential.

TrueShares Tech, AI and Deep Lrng ETF (LRNZ) Price % Change
Global X Artfcl Intlgc & Tech ETF (AIQ) Price % Change

35.34%
33.03%
30.00%
15.00%
0.00%
-15.00%

Jan '23   Feb '23   Mar '23   Apr '23   May '23   Jun '23

Jun 04 2023, 10:55AM EDT. Powered by YCHARTS

One way to solve this dilemma is to seek out a more diversified fund that caps the weights of individual securities or industries to bolster participation from a wider array of holdings. An attractive solution within the artificial intelligence realm that takes this very path is the **WisdomTree Artificial Intelligence and Innovation Fund (WTAI)**. This ETF has been steadily gaining trading volume and traction over the last three months with the explosion of interest in the potential growth prospects of AI.

WTAI doesn't outright promote itself as an equal-weight ETF, but its smart-beta index clearly caps the allocation of any single security at 3% of the total portfolio basket. This allows for a more even distribution of capital among its broad base of 75+ holdings. The result is that contributions from smaller enterprises are more pronounced in the total returns of the fund. This portfolio construction methodology also means that WTAI has alpha-generating potential and is perfect for those investors who prefer a more diversified alternative as compared to a concentrated basket.
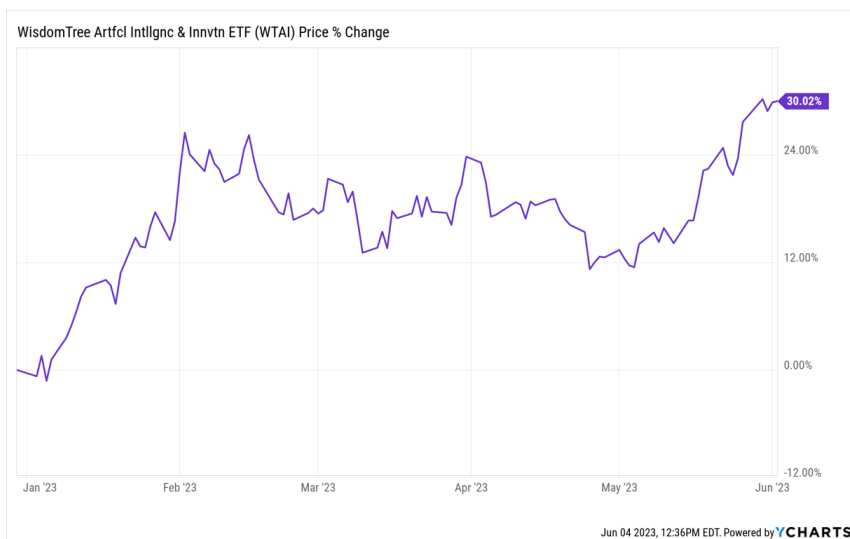
This ETF debuted in late 2021 and was relatively obscure until the breakout in AI activity this year. It has seen its assets grow to nearly $60 million as of this report and has demonstrated daily trading volume over the last three months of more than 150,000 shares on average. The fund also charges a net expense ratio of just 0.45%, which is very reasonable for an enhanced index.

The underlying holdings within the WTAI portfolio are a familiar mix of names that include Nvidia, Advanced Micro Devices, and Meta Platforms. Additionally, it also carries varied exposure to lesser-known stocks such as Synopsys Inc, AIchip Technologies Ltd, Cerence Inc, and STMicroelectronics NV in

its top holdings. The top 10 stocks only account for approximately 20% of the overall portfolio.

The distribution of assets spread over the market capitalization spectrum is another differentiating factor in WTAI. The fund owns approximately 62% in large-cap stocks and 38% in mid- and small-cap. Companies domiciled in the United States account for 73% of the portfolio, with the remaining countries including Netherlands, Japan, Taiwan, and South Korea to name a few. This global footprint emphasizes a broader inclusion of companies from nations that are also working hard on AI breakthroughs.

The chart here shows the strength of this ETF on a year-to-date basis as it has paced the gains of its peer group. WTAI also recently hit new 52-week highs and continues to demonstrate a high degree of absolute momentum.

WisdomTree Artfcl Intlignc & Innvtn ETF (WTAI) Price % Change

30.02%

Jun 04 2023, 12:36PM EDT. Powered by YCHARTS

This fund is going to be appealing to advisors that want to introduce a diversified and well-balanced solution into their portfolios. It's broad enough to be used as a single, one-stop AI holding or to complement other big data and machine learning investments to maximize your exposure profile. The selection and weighting of the individual holdings are likely to have a meaningful impact on relative performance over the long-term.

Augmenting Your Own AI Research

One of the gifts of working together with our subscribers over so many years is the feedback we receive when a publication feature is truly a value-add. We have increasingly sought out innovative ways to bolster your own internal research to collaborate on best-of-breed solutions for alpha-generating investment ideas.

The feature we consistently receive positive responses on is when we include a data table of stocks in Excel for advisors to analyze independently. For this report, we have assembled a list of 30 AI stocks with corresponding fundamental and technical data for your review. The table is sorted in alphabetical order by ticker symbol, but easily resorted in Excel according to your individual research preferences ([see attached file](#)).

One of the more identifiable themes with this data table is that even with the impressive year-to-date returns, most of these stocks are still well off their all-time highs. That metric should deliver optimism that there is still notable upside potential throughout the AI segment. It also supports the notion that not every AI stock is in a bubble and value opportunities may exist for patient investors.

Addressing Concerns About Risks Associated with AI

There is a growing movement among technologists, scientists, and mathematicians to stem progress on AI to avoid risks to humanity. This group believes that we should only proceed with more advanced development once we are assured that its benefits will be positive and that the risks are manageable. This is a valid concern that reflects the dangers of AI advancing to a point where humans lose control or are manipulated in a dangerous manner.

Perhaps the biggest issue here, that's rightly concerning, is the so-called "problem of alignment," which means what happens if the goals of humanity aren't properly aligned with the goals of a very advanced AI, one that can actually make decisions in its own interest (as opposed to human interest)? While this problem may seem far fetched at this stage, all one needs to do is prognosticate out to "The Terminator" scenario to quickly understand the potential existential threat of a runaway AI.

Science fiction aside, the problem with actually slowing the development progress of AI is that it would have to be a concerted and unified global effort. Other countries are unlikely to abort their current progress to achieve technological superiority over the United States. That means there are unlikely to be significant curbs to thwart the advancement of these systems globally. Ideally, the world will take a measured and cautious approach to managing these risks that emphasizes positive benefits for everyone.

Conclusion

The development of AI applications has been ongoing for decades. Yet this period feels different because we are witnessing a convergence in both hardware and software to achieve truly tangible rewards.

It's likely that this will only accelerate in the future as more resources are poured into the expansion and adoption of this potentially societal-changing technology. The various outlets for these systems are going to continue to improve with each new generation and the companies engaged in their development will ultimately prosper.

One final word to convey to clients is that it's important not to get caught up in the Fear of Missing Out (FOMO) on a hot market topic. That typically leads to hasty and emotional decisions that create frustrating results by purchasing at the wrong time or into the wrong holding.

Instead, take a level-headed approach by designing a way for AI to integrate into your portfolios slowly over time. That way you can use time and price to your advantage to establish a noteworthy allocation that will add value over the long run.

Best,

Tom

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Utilizing High Returns on Cash iShares 0-3 Month Treasury Bond ETF (SGOV) SPDR Bloomberg 1-3 Month T-Bill ETF (BIL). Invesco Treasury Collateral ETF (CLTL). SPDR Bloomberg 3-12 Month T-Bill ETF (BILS). PGIM Ultra Short Bond ETF (PULS).	This issue will help you address and overcome those client concerns and provide a list of high quality, high yielding cash alternative ETFs, so clients can feel comfortable allocating to money market funds and other cash alternatives to enjoy decades high yields on cash and little to no principle risk!	5/31/2023	SGOV: 0.19% BIL: 0.18% CLTL: 0.18% BILS: 0.16% PULS: 0.09%	SPY: 3.14%
Uncorrelated Investing Opportunities IQ Merger Arbitrage ETF (MNA). iMGP DBi Managed Futures Strategy ETF (DBMF). Core Alternative ETF (CCOR).	We wanted to focus this Alpha issue on uncorrelated strategies and ETFs that can provide income and alpha along with true diversification for a market that's likely to become increasingly volatile in the coming months.	5/16/2023	MNA: -0.93% DBMF: 1.20% CCOR: -2.76%	SPY: 5.04%
Contrarian Opportunity - Identifying Quality Commercial Real Estate ETFs SPDR Dow Jones REIT ETF (RWR). Fundamental Income Net Lease Real Estate ETF (NETL). A Dedicated List of Office REITs.	This Alpha issue speaks to our contrarian leanings, as we are going to look for **potential contrarian opportunities in the commercial real estate ETF space.**	5/02/2023	RWR: 2.30% NETL: 1.66%	VNQ: 1.29%
Is Gold in a New Bull Market? abrdn Physical Gold Shares ETF (SGOL). SPDR Gold MiniShares Trust, (GLDM). VanEck Vectors Gold Miners ETF (GDX). abrdn Physical Silver Shares ETF (SIVR). iShares MSCI Global Silver and Metals Miners ETF (SLVP). abrdn Physical Precious Metals Basket Shares ETF (GLTR).	This issue will focus on the best ways to gain exposure to precious metals and miners, because gold has quietly traded to within striking distance of its all-time high, and with global unrest, a falling U.S. dollar, and a potential dovish pivot from the Fed, **the outlook for a gold bull market is as good as it's been in years.** We focused on examining what parts of the gold and precious metals space performed best during previous gold bull markets and identified our preferred ETFs to gain exposure to gold, other precious metals, and precious metals miners.	4/18/2023	SGOL: -2.42% GLDM: -2.41% GDX: -10.01% SIVR: -4.71% SLVP: -12.91% GLTR: -4.79%	SPY: 4.04%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Two Strategies for the Regional Banking Crisis Invesco KBW Bank ETF (KBWB). iShares U.S. Financial Services ETF (IYG). Pacer Trendpilot US Large Cap ETF (PTLC).	The eruption of the regional bank crisis has created a potentially binary outcome, whereby either the crisis fades and the extreme declines in banks and financials is an attractive buying opportunity, or the crisis gets worse and drags down the entire market. **This Alpha issue examines each scenario and identifies strategies that will help us navigate either outcome.**	4/04/2023	KBWB: 1.51% IYG: 3.91% PTLC: 5.40%	SPY: 5.45%
Defined Outcome and Buffered ETFs Innovator S&P 500 Power Buffer ETF - April (PAPR). Innovator Growth-100 Power Buffer ETF - October (NOCT) or FT Cboe Vest Nasdaq-100® Buffer ETF - September (QSPT). Innovator U.S. Equity Ultra Buffer ETF - June (UJUN) or FT Cboe Vest U.S. Equity Deep Buffer ETF - June (DJUN).	This Alpha issue focuses on Defined Outcome Funds, or "Buffered ETFs," which are fairly new and certainly unique investment products designed to capture upside in an underlying index (like the S&P 500) while limiting losses through the use of options strategies. Given recent bank failures and rising recession fears, these strategies should see increased demand this year.	3/21/2023	PAPR: 3.92% NOCT: 6.66% QSPT: 10.48% UJUN: 3.79% DJUN: 6.58%	SPY: 8.02%
Artificial Intelligence Primer Global X Artificial Intelligence & Technology ETF (AIQ). First Trust Cloud Computing ETF (SKYY). Defiance Quantum ETF (QTUM).	This Alpha issue provides an important overview of the AI space and these ETFs will allow investors to get exposure to the entire AI value chain, so they can benefit as the technology evolves and implementation grows.	3/7/2023	AIQ: 20.06% SKYY: 16.75% QTUM: 14.18%	SPY: 8.61%
Three Strategies to Re-Allocate to Growth (and Tech) iShares Morningstar Mid-Cap Growth ETF (IMCG). iShares Expanded Tech Sector ETF (IGM). VanEck Vectors Semiconductor ETF (SMH).	I dedicated this Alpha issue to growth ETFs that I think are good candidates for allocations if an advisor does want to add growth exposure. Specifically, **I have detailed three strategies and ETFs that I think can help advisors add broad growth exposure, specific tech sector exposure, and targeted tech industry exposure, so advisors can select the strategy that best fits their client's needs.**	2/22/2023	IMCG: 1.59% IGM: 23.46% SMH: 28.18%	SPY: 8.54%
An Opportunity in International Stocks Vanguard Europe ETF (VGK). iShares Core MSCI Emerging Markets ETF (IEMG). Schwab Fundamental International Small Company Index ETF (FNDC).	This issue will focus on the global markets, specifically international stock ETFs that we believe would be good core holdings for adding (or increasing) international exposure in client accounts because, for the first time in a long time, **the case can be made that international markets can sustainably outperform U.S. markets.**	2/07/2023	VGK: 1.78% IEMG: 0.39% FNDC: 0.54%	SPY: 4.21%

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Opportunity in Long Bonds SPDR Portfolio Long Term Treasury ETF (SPTL). PIMCO Long-Term Credit Bond Fund (PTCIX). VanEck Long Muni ETF (MLN).	This issue focuses on opportunities in the long end of the yield curve, which suffered historic losses in 2022 but is potentially poised to stage a big rebound in 2023 and beyond.	1/24/2023	**SPTL:** **-3.73%** **PTCIX:** **-2.89%** **MLN:** **-0.46%**	**SPY:** **8.11%**
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:** **33.61%** **VOX:** **19.17%** **EMB:** **1.27%**	**SPY:** **10.74%**
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.	12/28/2022	**SYLD:** **1.85%** **RPV:** **0.15%** **MINT:** **2.65%** **JPST:** **1.72%** **FXG:** **-1.35%** **FCG:** **-4.21%**	**SPY:** **14.83%**
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.**	12/13/2022	N/A	N/A
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.	11/29/2022	**IJR:** **0.18%** **RWJ:** **-0.40%** **CALF:** **2.79%**	**SPY:** **9.94%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
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.	11/1/2022	**MOAT: 23.84%** **MOTE: 12.24%** **SMOT: 9.86%**	**SPY: 13.02%**
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: 2.17%** **HYMB: 5.12%** **MMIT: 4.94%**	**SPY: 17.08%**
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._	10/4/2022	**SHO: 6.55%** **PSQ: -20.62%** **PTLC: 7.54%** **SGOV: 2.96%**	**SPY: 14.94%**
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: 1.55%** **NLR: 7.14%** **SMR: -41.46%**	**SPY: 12.88%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Repositioning for Another Rollover Invesco S&P 500 Equal Weight Utilities ETF (RSPU). 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	**RSPU:** **-9.40%** **SPHD:** **-4.48%** **USFR:** **3.48%**	**SPY:** **9.66%**
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:** **-15.51%** **IDRV:** **-1.40%** **CNRG:** **-13.31%**	**SPY:** **4.47%**
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:** **-8.36%** **ETHE:** **-40.82%** **BITO:** **1.51%** **BLOK:** **-13.44%**	**SPY:** **4.73%**
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.	7/26/2022	**TDIV:** **12.24%** **VNQ:** **-10.02%** **INDS:** **-4.76%** **COWZ:** **6.81%**	**SPY:** **11.55%**

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:** **2.54%** **IHF:** **-2.60%** **VDC:** **4.60%** **PBJ:** **6.33%**	**SPY:** **14.50%**
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:** **8.30%** **SHYG:** **7.63%** **SGOL:** **7.37%**	**SPY:** **14.55%**
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:** **-35.93%** **TSLA:** **11.88%** **ROKU:** **-4.77%** **SQ:** **7.25%** **EXAS:** **144.20%**	**SPY:** **17.14%**

Sevens Report Alpha Fund & Stock Ideas

Fund/Stock	Strategy	Date	Total Return	Benchmark Performance Since Issue Date
Bottom Fishing in Beaten Down Stocks Netflix (NFLX) PayPal (PYPL) Ford (F) General Motors (GM) Etsy (ETSY) Penn National Gaming (PENN)	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.	6/1/2022	**NFLX: 117.20%** **PYPL: -23.39%** **F: 11.75%** **GM: -2.97%** **ETSY: 8.35%** **PENN: -16.66%**	**SPY: 6.93%**
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.**	
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.	5/3/2022	**BIV: -3.61%** **LQD: -5.17%** **PFF: -8.50%**	**AGG: -4.43%**
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 pull-backs, like we experienced several times in the first quarter.	4/19/2022	**USMC: 0.26%** **SPHD: -16.00%** **XYLD: -16.18%**	**SPY: -3.23%**

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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:** -3.87% **URA:** -12.21% **BOAT:** -5.44% **LNG:** 3.73% **FLNG:** 17.84%	**SPY:** -2.93%
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:** -5.20% **HYEM:** -0.41% **EUFN:** 5.41% **JETS:** -3.77% **FXE:** -2.54%	**SPY:** -2.61%
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:** -1.39% **SGOL:** -4.90% **VNQ:** -19.83% **FXG:** 1.46%	**SPY:** 3.45%

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:** **-13.43%** **VCR:** **-3.81%** **USHY:** **-10.23%** **SRLN:** **-8.23%**	**SPY:** **2.05%**
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:** **-1.40%** **IQLT:** **-2.41%** **VYMI:** **-4.89%**	**SPY:** **-2.60%**
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:** **-13.71%** **QVAL:** **-1.23%** **SYLD:** **-2.59%** **RPV:** **-3.43%**	**SPY:** **1.10%**

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 this 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:** **-57.72%** **BLOK:** **-47.66%** **BITO:** **-46.54%**	**SPY:** **-8.34%**
Annual Contrarian Issue KraneShares CSI China Internet ETF (KWEB) WisdomTree China ex-State-Owned Enterprises Fund (CXSE). VanEck Vectors Gold Miners ETF (GDX) Global X Silver Miners ETF (SIL). Utilities Select Sector SPDR (XLU) PowerShares S&P 500 Low Volatility ETF (SPLV).	This 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:** **-26.19%** **CXSE:** **-35.54%** **GDX:** **-0.19%** **SIL:** **-26.54%** **XLU:** **-6.18%** **SPLV:** **-9.54%**	**SPY:** **-9.69%**
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).	This 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:** **0.34%** **VGT:** **-3.21%** **FDN:** **-28.52%** **SHOP:** **-53.14%** **IBUY:** **-48.73%** **BLOK:** **-50.96%** **PAVE:** **6.47%**	**SPY:** **-4.86%**

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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:** **-18.37%** **SRVR:** **-28.02%** **INDS:** **-20.17%** **REZ:** **-16.10%**	**SPY:** **-3.22%**
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:** **-21.85%** **RBLX:** **-66.76%** **NVDA:** **28.87%** **AMZN:** **-29.34%** **MSFT:** **-2.34%** **METV:** **-39.90%**	**SPY:** **-6.05%**
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:** **20.17%** **PSCE:** **13.00%** **MLPA:** **27.72%**	**SPY:** **-4.54%**

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.	10/19/2021	**DBLTX:** **-10.21%** **DSEEX:** **-11.71%** **GIBIX:** **-12.24%** **GOF:** **-3.32%** **DGRW:** **8.37%** **XSOE:** **-25.36%** **OUSA:** **1.70%** **OGIG:** **-45.09%**	**SPY:** **-2.16%**
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:** **-76.77%** **SPOT:** **-33.62%** **NVTA:** **-94.97%** **CRSP:** **-38.92%** **Z:** **-48.21%** **COIN:** **-78.80%** **ZM:** **-73.32%**	**SPY:** **1.81%**
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:** **-61.04%** **CMI:** **10.35%** **HDRO:** **-55.44%**	**SPY:** **1.67%**

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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:** -70.85% **BBH:** -26.79% **EDOC:** -38.95% **IBUY:** -61.53% **DURA:** 2.94%	**SPY:** -2.07%
Stagflation Playbook First Trust Dow Jones Internet Index Fund (FDN). Invesco S&P 500 Equal Weight Consumer Staples ETF (RSPS). 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 macro-economic 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:** -34.99% **RSPS:** 7.90% **FLTR:** 4.15% **BCI:** 9.50%	**SPY:** -1.27%
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:** -4.49% **ACWI:** -4.17% **ACWV:** -3.53% **CRBN:** -5.29%	**SPY:** 0.77%
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:** -60.20% **EDOC:** -37.97% **HTEC:** -37.60% **GNOM:** -45.01%	**SPY:** 1.53%

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:** -19.83% **CIBR:** -7.00% **BUG:** -18.43% **SKYY:** -30.25%	**SPY:** 0.67%
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 <u>equity portion of elderly clients' portfolios – ideas that are designed to provide income and ensure positive correlation to rising inflation</u>	6/15/2021	**INFL:** -1.21% **NOBL:** -0.73% **DGRO:** -0.34% **MLPA:** 2.46% **RLY:** -9.64%	**SPY:** 1.45%
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:** -25.18% **VRP:** -15.03%	**SPY:** 2.45%
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:** -61.90% **ETHE:** -77.42% **COIN:** -78.76% **VYGVF:** -98.53% (Closed)	**SPY:** 7.69%

Sevens Report Alpha Fund & Stock Ideas

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