

# SEVENS REPORT

## *alpha*

*December 27, 2023*

### In This Issue

- I've always been a contrarian investor at heart, so at the turn of each year I like to present contrarian opportunities we think can rebound from awful performance, and in doing so create alpha for advisors.
- **Contrarian Idea 1: Clean Energy. Invesco Solar ETF (TAN). iShares Global Clean Energy ETF (ICLN).** TAN houses 48 global solar companies providing exposure to the solar industry. The ETF is down 29% YTD and trades at just a 13 P/E. ICLN is a low-cost and liquid clean energy ETF that can act as a comprehensive way to play the green energy rebound.
- **Contrarian Idea 2: Rare Earth Minerals. VanEck Rare Earth/Strategic Metals ETF (REMX).** REMX gives exposure to companies involved in producing, refining, and recycling of rare earth and strategic metals and minerals. The ETF has fallen 22% YTD and recently hit a new 52-week low. But rare earth minerals remain vital to the next generation of technology and the demand is forecasted to increase exponentially over the next several years.
- **Contrarian Idea 3: China. KraneShares CSI China Internet ETF (KWEB).** Outside of Russia, the single worst performing major stock market in 2023 is China. KWEB targets the growing internet, e-commerce, and communications sectors in China and has declined more than 9% YTD.
- **Contrarian Idea 4: Health Care. First Trust Health Care AlphaDEX Fund (FXH).** FXH is down 7% YTD as healthcare has lagged but if economic growth slows or there's renewed interest in high growth sectors (e.g. biotech) healthcare can rebound.
- **Dogs of the S&P 500.** We list the 20 worst performing stocks in the S&P 500.

### Our 2024 Contrarian Investment Ideas

The stock market appeared headed for a rather mundane outcome in late October before pent-up demand sparked a broad rally in risk assets. The combination of better-than-feared Q3 corporate earnings, moderating inflationary statistics, and the FOMC putting additional rate hikes on hold has sharply buoyed sentiment in stocks. So much so that the Dow Jones Industrial Average hit a new all-time high in December to close above 37,000, an event investors are cautiously celebrating as another seasonal Santa Claus rally ushers in the new year.

Year to date (as of 12/22) the venerable Dow has gained 15.25%, while the S&P 500 Index and Nasdaq Composite have surged 25.85% and 44.44%, respectively. It should come as no surprise that technology stocks have contributed the lion's share of these gains with benchmarks tilting in favor of growth segments once again. The untapped promise of artificial intelligence is one factor that has spurred this rally in growth stocks. Another is the level of conviction by fund managers that the path of interest rates is assuredly lower.

The November 2023 Bank of America global fund manager survey showed an outsized percentage of respondents believe the path of long-term rates is lower ([source](#)). This is providing a bullish catalyst for both stocks and bonds inversely correlated to Treasury yields. Couple that with \$6 trillion of capital on the sidelines in money market funds and you have a recipe for an interesting reshuffling of the financial landscape in 2024.

There is a lot at stake as we cross over into a fresh calendar year. Savvy investors will be focused on preserving their hard-fought gains in 2023 as well as positioning for success in 2024. Fears of a recession are still lurking about, which could potentially lead to another wave of price volatility at some point. Yet there are also likely to be meaningful opportunities for fresh trends to develop in areas of the market that have been heavily discounted. Investors who continue to "T-bill and chill" are likely to underperform their goals and harbor regrets if they

don't take a more proactive approach to portfolio management.

One of the exercises we enjoy conducting at the beginning of every year is to consider contrarian investment strategies that may prove to be fruitful for those that prefer to diverge from herd mentality. The logic is that if everyone believes a certain outcome is going to occur, then that event is almost certainly fully factored into current prices. A solution for this conundrum is to look at outside-the-box opportunities that provide a fresh dynamic for growth or income.

One of the best places to start is by evaluating contrarian assets that have fallen out of favor over the last 12 months. Many of these sectors are now starting to flash attractive risk/reward characteristics with the potential to be exploited in 2024. Our goal with this issue is to uncover these ostracized trades and determine how best to integrate them successfully into client portfolios over the next 12 months.

### **Contrarian Idea 1: Clean Energy**

The strength throughout the broader market did not find its way into the clean energy sector in 2023. In fact, this was one of the worst performing industry-level segments across the entire publicly traded financial spectrum this year. Every corner of the clean energy market experienced difficult headwinds from solar to hydrogen, wind, and water-driven power resources. So much so that these stocks are now trading at some of their most attractive fundamentals in years, which is also why they should be on your radar for a potential turnaround story in 2024.

The structural demand for clean energy has been well documented and governments are making this push a key priority in policy initiatives. The Inflation Reduction Act of 2022 allocated a full \$300 billion

towards environmental and climate reform as the U.S. seeks to reshape its carbon footprint over the next decade. That includes large investments in electric vehicles, renewable energy, and hefty fines on greenhouse gas emitting facilities. This type

of legislative power combined with emerging social ambition has the capability to boost the corporate earnings of this sector significantly over the next several years.

One popular way to play this trend is through a dedicated basket of solar stocks engaged in the manufacturing, installation, and distribution of clean energy. The **Invesco Solar ETF (TAN)** is a popular vehicle for this task as it houses 48 global solar companies in a pure play diversified vehicle. TAN has been in existence since 2008 with a distinguished track record and more than \$1.5 billion in assets under management. Its top holdings include well-known names such as Enphase Energy, First Solar Inc., SolarEdge Technologies, and Sunrun Inc.

The market-cap weighted portfolio offers truly global coverage with 55% of the holdings domiciled in the United States followed by China, Germany, Spain, and Israel. Its distributed fundamentals are currently trading at a healthy forward P/E ratio of 13.87 and a price-to-book ratio of 1.70. Those statistics are starting to flash value-oriented signals driven by a considerable drop in aggregate share price. TAN has fallen 29% in 2023 to recently hit new 52-week lows. It was down more than 40% from high to low before the Santa Claus rally took hold over the last nine weeks.

**Chart 1: Big conviction bond yields lower in '24**  
FMS % expecting lower long-term rates



With so many areas of the market trading at or near cycle highs, this clean energy segment offers a compelling investment dynamic to consider. It has shown the capability to provide impressive bullish returns under favorable conditions and a more accommodative global interest rate environment may bolster that case in 2024.

Furthermore, this ETF is widely diversified outside the U.S. dollar for those portfolios that are seeking to broaden their worldwide scope. It doesn't get more attractive as a contrarian play than this type of opportunity with significant upside potential to recouple with the broader market.

Another fund to consider in this space if you want to maintain a broader view of the transition to carbon-free energy is the **iShares Global Clean Energy ETF (ICLN)**. We have written favorably about this ETF in prior reports as a vehicle to own solar, wind, and other renewable resource stocks. Its 101 holdings are roughly double that of TAN with a significant amount of overlap in the solar sector. ICLN is a low-cost and heavily traded alternative with similar fundamental characteristics at this stage. It can act as a comprehensive way to play the green energy rebound with a well-rounded portfolio approach.

## **Contrarian Idea 2: Rare Earth Minerals**

The commodity space in general experienced a widespread deflationary trend that affected everything from natural gas to industrial metals and agriculture. Falling commodity futures prices proved to be effective at curtailing inflationary metrics globally. However, it consequently weighed on the share prices of associated manufacturing and mining stocks. No sector felt the pain of those results more than rare earth and strategic metals companies.

This niche sector of the industrial commodity complex has been gaining more headlines of late because of the key materials necessitated in high-tech computer chips, medical equipment, electric cars, and clean energy systems. We wrote in depth about the strategic implications of these resources in our September 2023 issue dedicated to commodity-

linked investment themes ([September 2023 Issue](#)).

The bottom line is that rare earth minerals are becoming increasingly vital to the next generation of technology and the demand is forecasted to increase exponentially over the next several years.



One of the best ways to capitalize on this trend is through the **VanEck Rare Earth/Strategic Metals ETF (REMX)**. This fund is intended to track the overall performance of companies involved in producing, refining, and recycling of rare earth and strategic metals and minerals. It should be noted that REMX does not contain any exposure to the underlying commodities themselves, but rather the companies engaged in their extraction and refinement.

That translates to a basket of 34 global stocks that are primarily located in Australia and China. These two countries equally represent 70% (35% each) of the domicile from the underlying mining and refining stocks that make up the index. The United States, Canada, and Brazil round out the top five of this dedicated materials fund. REMX also tilts heavily towards mid-cap stocks with approximately 63% of the portfolio. Large-cap stocks make up 23%, followed by small-cap stocks at 13%.

So far this year, REMX has fallen 22% and recently hit a new 52-week low. That drop also has translated to a weighted P/E ratio of 8.62 for those that are

seeking deeply discounted value opportunities in this market.

As you can see on the long-term chart, the volatility of this fund has been enhanced by its outsized exposure to smaller companies in overseas markets. Yet its growth capabilities are undeniable as we saw an explosion of strength from 2021 through early 2022 as inflationary forces contributed to substantial momentum.

REMX may be appropriate for investors seeking speculative or aggressive exposure to a niche area of the commodity markets. Investors who will have the most success with this fund are comfortable owning a high-volatility position and want to participate in the growth of this key materials industry.

Risk should be managed via smaller position sizing to appropriately match client expectations to the focused basket of unique holdings. Its tactical nature would be well suited to be paired alongside a conventional commodity allocation as a suitable diversification strategy.

### **Contrarian Idea 3: China**

Outside of Russia, which is radioactive for any reasonable investment hypothesis, the single worst performing major stock market in 2023 is China. The world's second largest economy by nominal GDP experienced a marked decline across its publicly traded markets as deleveraging within its real estate sector took center stage. Several of the country's largest real estate companies felt the effects of higher rates and declining property prices translate to significant distress in financial operations. The real estate sector accounts for nearly one-third of China's economic activity.

Furthermore, a crackdown on perceived monopolistic behavior in the technology and education sectors led to an exodus of capital from mainstays such as Alibaba Group, Tencent Holdings, and JD.com. These restrictive governmental policies have contributed to foreign investors' hesitation towards significant allocations to the Chinese markets.

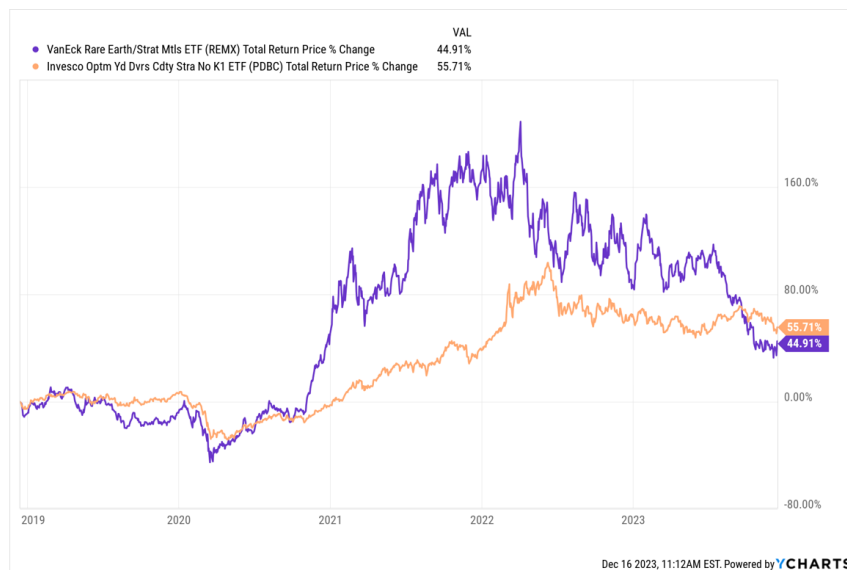
In a bid to reverse this trend, policy leaders in China recently met for an annual economic summit and

promised a strategic focus on reviving its sagging economy. This included an emphasis on high-quality development, boosting domestic consumption, expanding foreign investment, and revitalizing agriculture to boost food security ([source](#)). There are also widespread calls for China's gov-

ernment to increase economic stimulus measures aimed at averting any further slowdowns.

With so much anxiety surrounding the Chinese economy, the contrarian thesis of buying when there is blood in the streets should be reverberating like a siren's call. Major Chinese equity indexes now are trading at extremely attractive fundamentals with explosive potential when an economic turnaround ultimately materializes.

There are certainly systemic issues to overcome in the near-term. However, it generally is advantageous to be early to these cycles rather than late. We have all experienced markets that inexplicably climb a wall of worry despite a laundry list of perceived threats. Those who wait for the "all clear" are generally entering in the latter stages of the bullish uptrend and are likely to be left holding the bag when the cycle corrects once again.

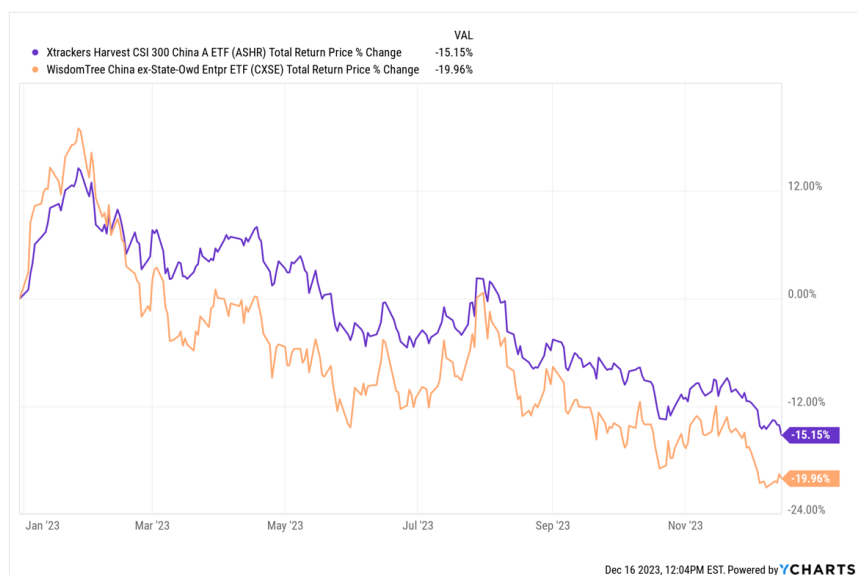


Our favorite pure play for the technology sector in this nation is via the **KraneShares CSI China Internet ETF (KWEB)**. This ETF is the largest U.S.-traded sector fund in China with over \$5.5 billion in total assets. To refresh your memory on KWEB, the fund was the first of its kind to specifically target the growing internet, e-commerce, and communications sector in China when it debuted back in 2013. The value proposition of this fund is the ability to capture a developing share of consumption by China's middle class as more of the population migrates to the internet.

The underlying KWEB portfolio contains exposure to more than 30 stocks listed in both the United States and Hong Kong. This includes well-known names such as Tencent Holdings, Alibaba Group, PDD Holdings, Meituan, and NetEase Inc. in its foremost holdings. The top 10 stocks in KWEB account for approximately 60% of the total portfolio allocation due to the market-cap weighted nature of the tracking index. It also charges a net expense ratio of 0.69% on an annual basis, which is practical for a unique international stock fund.

KWEB would integrate well into portfolios that are seeking a global value play in a traditionally momentum-driven area of the market. This sharp price decline has reset the risk characteristics of the Chinese tech sector for long-term investors. The disparity versus

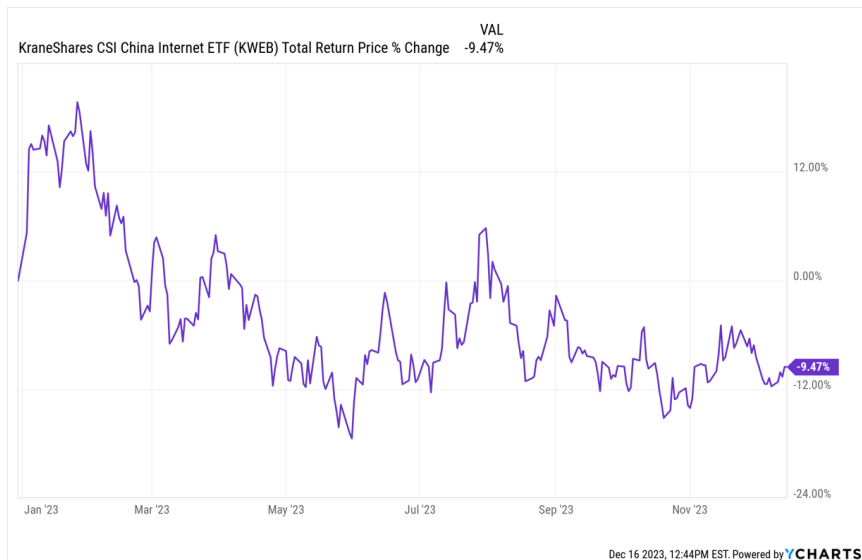
the rest of the global stock market is certainly worthy of evaluation as you determine where this opportunity sits on your buy list.



Another excellent fund to consider in this region of the globe is the **WisdomTree China ex-State-Owned Enterprises Fund (CXSE)**, which has amassed over \$500 million dedicated to a diverse portfolio of 195 stocks spread across numerous sectors of the Chinese economy. The

goal with CXSE is to avoid any stocks that are directly or indirectly owned by the Chinese government.

WisdomTree defines state-owned as "government ownership of more than 20%" and its smart-beta index targets companies that are focused on generating maximum possible returns for shareholders. Data compiled by FactSet has demonstrated just how big of an advantage this SOE vs. non-SOE factor has been over the last 15 years as demonstrated in the chart on Page 6.



The real-world dispersion of this unique factor is highly tilted towards many of the same internet, technology, and retail stocks found in KWEB. The current makeup of CXSE includes 35% exposure to consumer discretionary, 14% health

care, 11% technology and 10% communication services. The remaining sectors include a smattering of financials, industrials, consumer staples, and real



estate. Top holdings include Alibaba Group, Ping An Insurance, NetEase, PDD Holdings, and Meituan.

Another feather in this fund's cap is its ultra-low expense ratio of just 0.32%. Its sponsors clearly designed it to be an attractive long-term position for growth portfolios that stand to benefit from minimal expense drag and a high-quality portfolio of emerging market stocks.

CXSE has similar use cases as that of

KWEB with a more approachable mix of holdings that would likely appeal to those with a moderate risk tolerance. It offers the capability to target a single country with a unique screening factor that has proven alpha-generating qualities. Growth investors that want to capitalize on the China comeback story would be well served to consider this fund in their long-term portfolio plans.

#### **Contrarian Idea 4: Health Care**

Health care stocks were unable to generate any momentum in 2023 with much of the year spent below the flatline. Just recently, the large-cap sector benchmarks such as the Health Care Select Sector SPDR (XLV) managed to barely claw back into positive territory. However, this stalwart segment has been a consistent underperformer in a year characterized by broad-based strength and is hanging on to fragile gains.

Some of the hardest hit industries within this group include biotechnology stocks, genomics, small caps, and medical equipment companies. Logically this makes sense as many of these scrappy companies rely on heavy leverage and financing to fund operations. Higher interest rates will quickly bite into earnings and spook investor confidence in being able to generate positive results.

The question is: Do we see a rotation back to health care stocks as a beloved area for investors to consummate gains in 2024? We can potentially see two scenarios where this works out favorably.

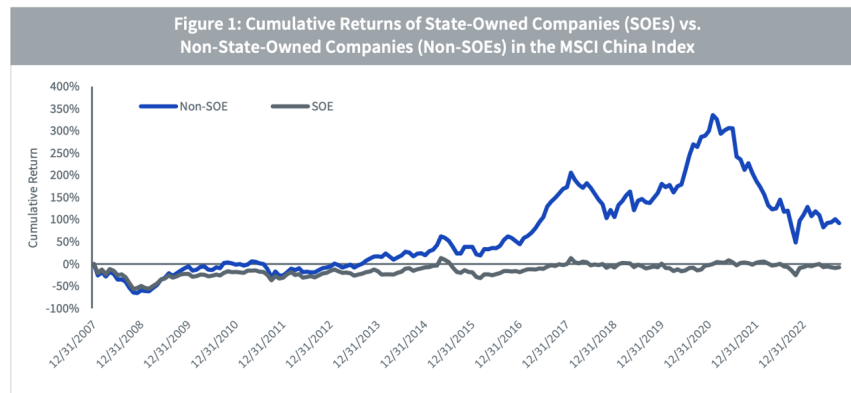
The first is lower rates and stable economic activity are likely to bolster the case for investing in smaller health care stocks. We saw many of these industries thrive during the heyday of ZIRP and they are likely to do so again if mar-

kets price in lower rate expectations in 2024.

Second, if we encounter a recession-type scenario there's likely to be a herding of capital towards large-cap health care as a low-volatility haven. Well-known companies such as Johnson & Johnson, UnitedHealth Group, Eli Lilly, and AbbVie Inc. have historically been solid relative performers during deflationary periods. That's because investors consider these health care giants as insulated from typical consumer cyclicalities with insurance acting as a backstop to overall sector business activity.

An excellent way to invest in the health care sector with an emphasis on smaller companies is via the **First Trust Health Care AlphaDEX Fund (FXH)**. This smart-beta ETF targets stocks from the Russell 1000 Index that rank highest in factors that include price appreciation, sales growth, book value, return on assets, and other key fundamental metrics. The result is a highly diversified and unique portfolio that tilts towards small- and mid-cap health care stocks as compared to conventional sector benchmarks. Part of this is due to the weighting of companies within the basket with no single holding making up more than 3% of the total portfolio.

FXH currently contains 82 total stocks with its largest allocations in Medpace Holdings, Universal Health Services, Cardinal Health, and Molina Healthcare. Its industry level makeup is currently



allocated according to pharma and biotech (42%), medical equipment and services (31%), and health care providers (27%). The fund portfolio houses more than \$1.2 billion in total assets and sports an expense ratio of 0.62%.

On a year-to-date basis, FXH has fallen 6.79%, but is showing a high degree of relative momentum during this latest market rally. It stands to reason this fund would benefit from continued broad-based strength in stocks as well as lower interest rates on the margin.

It's also likely to be more volatile than large-cap dominated health care benchmarks due to its tilt towards smaller stocks. That's a good thing if your base case is stocks trend higher in 2024.

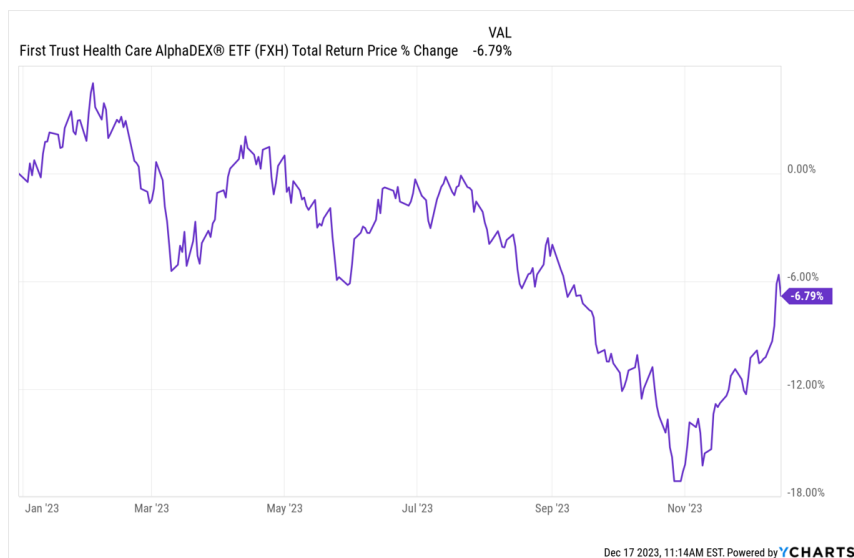
Investors who will have the most success with this fund are looking for a value-oriented corner of the market with the potential for explosive gains under positive economic circumstances. FXH can fit into a diversified portfolio as a tactical sector opportunity that is best suited for growth clients seeking a smart-beta fund with alpha-generating potential.

Those that want to stick with a more conservative approach should consider the broad-based **Vanguard Health Care ETF (VHT)**. This market-cap weighted portfolio of over 400 stocks comes with a rock bottom expense ratio of 0.10%. It houses more than \$16 billion in assets and is an extremely efficient way to gain sector-level exposure to the health care theme with an emphasis on larger, more established companies.

You can't go wrong with any of the Vanguard sector ETFs and VHT is no exception. It's simple to understand, extremely low cost, tax efficient, and highly

diversified. You know exactly what you own and why you own it with this ETF. It's an ideal solution for those concerned about the frothy nature of consumer-sensitive stocks at these levels and want to shift towards a sector of the market with a history of lower relative volatility. Bottom line, both health care funds offer contrarian opportunities that can fit different economic scenarios.

### **Contrarian Investment Idea 5: Dogs of the S&P 500**



This service has always taken pride in arming you with selective and carefully researched investment opportunities to navigate the market's distinctive phases. However, we also acknowledge that many advisors like to do their own due diligence using proprietary analytical methods. The table

on Page 8 should assist in your research efforts as you root through the ashes of 2023 to find growth opportunities that other investors have overlooked.

The screening parameters for this table are simply the bottom 20 stocks in the S&P 500 Index sorted based on 2023 total return. There are several familiar names on this list that will be instantly recognizable to those who have tracked this outsized negative performance year. Additionally, there are also several surprise stocks that may spur creative discussions among your investment committee members as you prepare for portfolio changes in 2024.

There are numerous opportunities for the stocks on this list to redeem themselves in 2024 and we will be actively watching how the market dynamics of the new year impact trading patterns.

## Conclusion

The start of a new year always brings with it the ability to look at the market with a fresh set of eyes and evaluate whether it makes sense to adjust your portfolios to the prevailing landscape.

There are often minor adjustments that can be made to rotate out of underperforming holdings, pounce on new opportunities, or just start the conversation about varying scenarios that may unfold. This can unlock value in your internal investment discussions and provide much-needed context for clients that are thirsty for guidance.

Symbol	Name	YTD TR %
ENPH	Enphase Energy Inc	-53.19%
MRNA	Moderna Inc	-52.44%
FMC	FMC Corp	-51.90%
DG	Dollar General Corp	-48.19%
PFE	Pfizer Inc	-44.76%
EL	The Estee Lauder Companies Inc	-41.52%
ILMN	Illumina Inc	-36.15%
PAYC	Paycom Software Inc	-34.07%
ALB	Albemarle Corp	-32.14%
AES	The AES Corp	-31.73%
VFC	VF Corp	-30.14%
ETSY	Etsy Inc	-29.49%
PODD	Insulet Corp	-28.79%
HRL	Hormel Foods Corp	-28.61%
WBA	Walgreens Boots Alliance Inc	-28.34%
RVTY	Revvity Inc	-27.58%
BIO	Bio-Rad Laboratories Inc	-26.77%
BMJ	Bristol-Myers Squibb Co	-26.11%
NEE	NextEra Energy Inc	-24.98%
INCY	Incyte Corp	-24.53%

Source: Ycharts.com as of 12/19/23

Our hope is that this list of intriguing investment themes allows you to look at the market through a distinctive lens and provide alpha-oriented results in 2024.

Best,

Tom

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# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Three Strategies that Outperformed in 2023</u></b> ARK Next Generation ETF (ARKW) Global X Artificial Intelligence & Technology ETF (AIQ) Principal Active High Yield ETF (YLD) Franklin Senior Loan ETF (FLBL)	This Alpha issue is our annual “Look Back” issue, where we take time to identify the ideas and themes that worked in 2023, identify some that did not, and address whether we think these performance trends will continue in 2024.	12/12/2023	ARKW: 8.20% AIQ: 3.31% YLD: 2.01% FLBL: 1.04%	SPY: 2.71%
<b><u>High Dividend Yield Stocks</u></b> SPDR Portfolio S&P 500 High Dividend ETF (SPYD) Global X Super Dividend U.S. ETF (DIV) Invesco High Yield Equity Dividend Achievers ETF (PEY) <a href="#">Build Your Own High Yield Stock Portfolio</a>	This Alpha issue takes a contrarian view and identifies one of the few sources of value in this market:  <b>High dividend yield stocks.</b>  The 100 highest yielding stocks in the S&P 500 (based on the start of the year) have declined nearly 8% YTD and as a result, yields on many of these well-known stocks are ranging anywhere between 6%-9%.	11/28/2023	SPYD: 9.96% DIV: 7.07% PEY: 10.10%	SPY: 4.75%
<b><u>Bitcoin 2023 Rally</u></b> Greyscale Bitcoin ETF (GBTC) ProShares Bitcoin Strategy (BITO) Amplify Transformational Data Sharing ETF (BLOK) ARK Next Generation Internet ETF (ARKW)	The goal of this Alpha issue is to provide you with a solid understanding of the evolving trading environment and boost your background knowledge to share with clients and colleagues alike, particularly those that have been waiting for a constructive regulatory breakthrough in this unique alternative asset class.	11/14/2023	GBTC: 30.05% BITO: 17.85% BLOK: 40.84% ARKW: 26.47%	SPY: 6.20%
<b><u>Fixed Income Based ETFs</u></b> VanEck BDC Income ETF (BIZD) Putnam BDC Income ETF (PBDC) <a href="#">Business Development Company Database</a>	Our goal with this issue is to shine a light on the available investment opportunities in this market so that you are aware of the most advantageous vehicles.	10/31/2023	BIZD: 11.23% PBDC: 9.69%	SPY: 13.95%

# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>SAFER Cannabis Exposure</u></b> AdvisorShares Pure US Cannabis ETF (MSOS) ETFMG Alternative Harvest ETF (MJ) Constellation Brands (STZ) Phillips Morris Intl (PM) Scotts Miracle-Gro (SMG)	The inspiration for this Alpha issue topic came from current events, specifically that the progress of the SAFER Banking Act through the Senate has increased the possibility that cannabis companies may soon get banking access, potentially removing a major impediment to growth.	10/17/2023	MSOS: -11.19% MJ: -5.64% STZ: 0.47% PM: 0.93% SMG: 29.41%	SPY: 9.32%
<b><u>Nuclear Energy Stocks</u></b> Sprott Uranium Miners ETF (URNM) Sprott Junior Uranium Miners ETF (URNJ) VanEck Uranium+Nuclear Energy ETF (NLR)	In this issue, we refreshed our research, included two new nuclear energy/uranium ETFs, and revisited our thesis on an ETF we profiled in last year's issue	10/03/2023	URNM: 30.91% URNJ: 17.81% NLR: 28.39%	SPY: 15.38%
<b><u>What Outperforms in the Fourth Quarter?</u></b> Pacer CFRA-Stovall Equal Weight Seasonal Rotation ETF (SZNE) Global X Millennials Thematic ETF (MILN) Global X U.S. Infrastructure Development ETF (PAVE)	We go in-depth on market seasonality and cover Q4 and the entire year so that you clearly know which periods of the year are the best and worst for broad market returns.	9/19/2023	SZNE: 9.11% MILN: 13.67% PAVE: 12.27%	SPY: 7.65%
<b><u>Sustainable Commodity Outperformance</u></b> Invesco Optimum Yield Diversified Commodity Strategy No K-1 ETF (PDBC) abrdn Physical Precious Metals Basket Shares ETF (GLTR) ProShares K-1 Free Crude Oil Strategy ETF (OILK) VanEck Rare Earth/Strategic Metals ETF (REMX)	We've broken this Alpha down into three strategies: First, our favorite broad commodity ETF, second, our preferred ETF for tactical allocations to the most popular investment commodities (gold and oil) and, finally, a focus on the "growth" part of the commodities complex via rare Earth minerals.	9/06/2023	PDBC: -5.91% GLTR: 5.57% OILK: -6.63% REMX: -15.11%	DBC: -5.97%
<b><u>Value and Opportunity in Emerging Markets (Excluding China)</u></b> Columbia EM Core Ex-China ETF (XCEM) WisdomTree India Earnings ETF (EPI) iShares MSCI Emerging Markets Small-Cap ETF (EEMS)	This Alpha issue will focus on a part of the market where we think there's medium-and-longer term opportunity: Emerging markets ex-China.	8/22/2023	XCEM: 8.53% EPI: 14.19% EEMS: 7.33%	SPY: 9.18%

# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Bond Market Roadmap</u></b> iShares Broad USD High Yield Corporate Bond ETF (USHY) Principal Active High Yield ETF (YLD) SPDR Blackstone Senior Loan ETF (SRLN) Franklin Senior Loan ETF (FLBL) SPDR Portfolio Long Term Treasury ETF (SPTL) Vanguard Long-Term Bond ETF (BLV) iShares 0-3 Month Treasury Bond ETF (SGOV) SPDR Bloomberg 1-3 Month T-Bill ETF (BIL) Invesco Treasury Collateral ETF (CLTL)	<p>We see three possible paths for the economy over the coming months:</p> <p>Soft landing: No recession, job growth, consumer strength, credit is sound, inflation recedes.</p> <p>Hard landing: Recession, job shrinkage, consumer contraction, credit crunch, inflation resumes.</p> <p>Unknown landing: No strong opinion about how the economy will shake out.</p> <p>In this issue, we identify nine ETFs that should outperform in each scenario, so you have a “roadmap” to help you successfully navigate the bond market, regardless of what happens to the economy.</p>	8/08/2023	<p><b>USHY/YLD:</b> 6.20%/6.24%</p> <p><b>SRLN/FLBL:</b> 4.68%/4.93%</p> <p><b>SPTL/BLV:</b> 3.59%/5.57%</p> <p><b>SGOV:</b> 2.07%</p> <p><b>BIL:</b> 2.04%</p> <p><b>CLTL:</b> -0.24%</p> <p>(Closed)</p>	SPY: 6.60%
<b><u>No Landing Scenario</u></b> JPMorgan Active Value ETF (JAVA) Avantis U.S. Small Cap Value ETF (AVUV) iShares Broad USD High Yield Corporate Bond ETF (USHY)	<p>In this Alpha report I want to go deeper and identify specific ETFs that we think can be the best performers should cyclical continue to outperform.</p> <p>So, our goal in this issue is simple: Provide you with a shopping list of cyclical ETFs that should outperform if there is No Landing, so you can easily add cyclical sector and factor exposure to client portfolios.</p>	7/25/2023	<p><b>JAVA:</b> 2.17%</p> <p><b>AVUV:</b> 11.46%</p> <p><b>USHY:</b> 6.49%</p>	SPY: 5.04%
<b><u>Home Builders &amp; Housing</u></b> iShares US Home Construction ETF (ITB) Invesco Dynamic Building & Construction ETF (PKB) The Hoya Capital Housing ETF (HOMZ)	<p>In this Alpha issue, we highlight best-of-breed strategies to own homebuilder and home improvement stocks to capitalize on this secular opportunity.</p>	7/11/2023	<p><b>ITB:</b> 20.34%</p> <p><b>PKB:</b> 17.34%</p> <p><b>HOMZ:</b> 8.82%</p>	SPY: 8.12%
<b><u>AI Tools for Advisors</u></b> Chatbots and Virtual Assistants. Sales and Marketing Tools. Copywriting and Illustrations.	<p>This Alpha report serves as a “Part Three” of our series on Artificial Intelligence (AI) and <b>focuses on specific AI platforms that you can begin using today that can make your practice more efficient and reduce costs.</b> This is basically the “business alpha” issue that explains how AI can help you better run the business side of your practice!</p>	6/27/2023	N/A	N/A

# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Artificial Intelligence Primer Part Two</u></b> Global X Artificial Intelligence & Technology ETF (AIQ) First Trust Cloud Computing ETF (SKYY) Defiance Quantum ETF (QTUM) TrueShares Technology, AI, and Deep Learning ETF (LRNZ) WisdomTree Artificial Intelligence and Innovation Fund (WTAI)	<p>This second AI Alpha issue will focus more on <b>what this technology can actually do (and how it can be used) and updates the universe of AI-focused ETFs and stocks.</b></p> <p>Specifically, we cut through some of the noise of the biggest AI predictions (it'll replace entire industries, potentially replace people, etc.) and <b>instead focus on practical applications and how that could impact corporate profitability and the markets, and in doing so arm you with practical insight and knowledge on AI for client and prospect discussions.</b></p>	6/13/2023	AIQ: 11.96% SKYY: 14.85% QTUM: 6.64% LRNZ: 18.67% WTAI: 6.74%	SPY: 9.97%
<b><u>Utilizing High Returns on Cash</u></b> 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)	<p>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!</p>	5/31/2023	SGOV: 3.10% BIL: 3.03% CLTL: 1.34% (Closed) BILS: 3.08% PULS: 3.75%	SPY: 14.92%
<b><u>Uncorrelated Investing Opportunities</u></b> IQ Merger Arbitrage ETF (MNA) iMGP DBi Managed Futures Strategy ETF (DBMF) Core Alternative ETF (CCOR)	<p>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.</p>	5/16/2023	MNA: 1.34% DBMF: 0.08% CCOR: -3.33%	SPY: 17.03%
<b><u>Contrarian Opportunity - Identifying Quality Commercial Real Estate ETFs</u></b> SPDR Dow Jones REIT ETF (RWR) Fundamental Income Net Lease Real Estate ETF (NETL) A Dedicated List of Office REITs.	<p>This Alpha issue speaks to our contrarian leanings, as we are going to look for <b>potential contrarian opportunities in the commercial real estate ETF space.</b></p>	5/02/2023	RWR: 12.15% NETL: 5.73%	VNQ: 11.91%
<b><u>Is Gold in a New Bull Market?</u></b> abrdrn Physical Gold Shares ETF (SGOL) SPDR Gold MiniShares Trust, (GLDM) VanEck Vectors Gold Miners ETF (GDX) abrdrn Physical Silver Shares ETF (SIVR) iShares MSCI Global Silver and Metals Miners ETF (SLVP) abrdrn Physical Precious Metals Basket Shares ETF (GLTR)	<p>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, <b>the outlook for a gold bull market is as good as it's been in years.</b></p> <p>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.</p>	4/18/2023	SGOL: 2.55% GLDM: 2.54% GDX: -7.33% SIVR: -4.18% SLVP: -10.86% GLTR: -2.85%	SPY: 15.93%

# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Two Strategies for the Regional Banking Crisis</u></b> Invesco KBW Bank ETF (KBWB) iShares U.S. Financial Services ETF (IYG) Pacer Trendpilot US Large Cap ETF (PTLC)	<p>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.</p> <p><b>This Alpha issue examines each scenario and identifies strategies that will help us navigate either outcome.</b></p>	4/04/2023	KBWB: 23.32% IYG: 21.12% PTLC: 15.25%	SPY: 17.53%
<b><u>Defined Outcome and Buffered ETFs</u></b> 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)	<p>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&amp;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.</p>	3/21/2023	PAPR: 11.33% NOCT: 18.38% QSPT: 26.05% UJUN: 10.27% DJUN: 13.18%	SPY: 20.40%
<b><u>Artificial Intelligence Primer</u></b> Global X Artificial Intelligence & Technology ETF (AIQ) First Trust Cloud Computing ETF (SKYY) Defiance Quantum ETF (QTUM)	<p>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.</p>	3/7/2023	AIQ: 37.41% SKYY: 37.39% QTUM: 24.22%	SPY: 21.07%
<b><u>Three Strategies to Re-Allocate to Growth (and Tech)</u></b> iShares Morningstar Mid-Cap Growth ETF (IMCG) iShares Expanded Tech Sector ETF (IGM) VanEck Vectors Semiconductor ETF (SMH)	<p>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, <b>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.</b></p>	2/22/2023	IMCG: 12.38% IGM: 45.58% SMH: 50.50%	SPY: 20.95%
<b><u>An Opportunity in International Stocks</u></b> Vanguard Europe ETF (VGK) iShares Core MSCI Emerging Markets ETF (IEMG) Schwab Fundamental International Small Company Index ETF (FNDC)	<p>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, <b>the case can be made that international markets can sustainably outperform U.S. markets.</b></p>	2/07/2023	VGK: 9.55% IEMG: 2.64% FNDC: 6.66%	SPY: 16.10%



# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Opportunity in Long Bonds</u></b> 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: -4.02% PTCIX: 2.11% MLN: 3.67%	SPY: 20.49%
<b><u>Three Contrarian Ideas to Start 2023</u></b> 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: 87.18% VOX: 36.06% EMB: 8.89%	SPY: 23.49%
<b><u>Three Strategies that Outperformed in 2022 and Should Outperform Again in 2023.</u></b> 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, <u>we wanted to highlight three strategies that outperformed in 2022 and that we believe are poised to do so again in 2023.</u>	12/28/2022	SYLD: 18.73% RPV: 9.98% MINT: 6.14% JPST: 5.10% FXG: 0.66% FCG: 7.32%	SPY: 28.05%
<b><u>Navigating Crypto's 'Lehman Moment'</u></b>	In this Alpha issue we are trying to cut through the noise and explain 1) <b>The state of the industry post-FTX</b> and 2) <b>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.</b>	12/13/2022	N/A	N/A
<b><u>Small Cap Stocks</u></b> 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)	<b>Very quietly, small-cap stocks have outperformed the S&amp;P 500 by 300 bps and the Nasdaq by 800 bps over the past five months.</b> 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: 11.73% RWJ: 11.91% CALF: 27.49%	SPY: 22.56%

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<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>MOAT Stocks</u></b> VanEck Morningstar Wide Moat ETF (MOAT) Morningstar ESG Wide Moat ETF (MOTE) VanEck Morningstar SMID Moat ETF (SMOT)	<p><b>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.</b></p> <p>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.</p>	11/1/2022	MOAT: 36.18% MOTE: 20.93% SMOT: 20.03%	SPY: 26.01%
<b><u>Opportunities in Municipal Bonds.</u></b> JPMorgan Ultra-Short Municipal Income ETF (JMST) SPDR Nuveen Bloomberg High Yield Municipal Bond ETF (HYMB) IQ MacKay Municipal Intermediate ETF (MMIT)	<p>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.</p> <p><b>But that has changed during the 2022 bond market rout and yields on munis now are at multi-year highs.</b> With federal funding still in place for pandemic programs, strong tax receipts, and a still-solid U.S. economy, <b>the credit outlook for municipal bonds is stronger than the muni bond price action would imply, and we think that creates a potential opportunity.</b></p>	10/18/2022	JMST: 4.45% HYMB: 10.43% MMIT: 9.01%	SPY: 30.55%
<b><u>Protection in a Deeper Bear Market.</u></b> 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)	<p>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&amp;P 500. Our goal with these strategies is clear: <u>Minimize the losses and be able to "survive" to take advantage of the ultimate longer-term buying opportunity.</u></p>	10/4/2022	SHO: 13.04% PSQ: -29.01% PTLC: 17.57% SGOV: 5.95%	SPY: 28.20%
<b><u>Opportunities in the Nuclear Energy Revival</u></b> 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)	<p>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, <b>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.</b></p>	9/20/2022	URA: 36.93% NLR: 37.26% SMR: -75.33%	SPY: 26.14%
<b><u>Repositioning for Another Rollover</u></b> 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)	<p><b>We wanted to investigate the sectors, strategies, stocks, and ETFs that outperformed during the first six months of 2022.</b> 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.</p>	9/7/2022	RSPU: -9.83% SPHD: 1.78% USFR: 6.36%	SPY: 22.30%

# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Sustainable Investing Revisited</u></b> 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, <b>but that it'll continue to actively grow in the coming years.</b>	8/23/2022	ERTH: -18.11% IDRV: -10.56% CNRG: -25.29%	SPY: 15.22%
<b><u>The State of the Crypto Market</u></b> Grayscale Bitcoin Trust (GBTC) Grayscale Ethereum Trust (ETHE) ProShares Bitcoin Strategy ETF (BITO) Amplify Transformational Data Sharing ETF (BLOK)	We wanted to <b>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.</b>	8/9/2022	GBTC: 150.10% ETHE: 52.40% BITO: 45.36% BLOK: 34.41%	SPY: 15.50%
<b><u>Strategies for a Peak in Bond Yields</u></b> 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)	<p>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.</p> <p>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.</p>	7/26/2022	TDIV: 28.29% VNQ: -0.63% INDS: -3.24% COWZ: 22.11%	SPY: 24.47%
<b><u>Sectors that Outperformed During Recent Recessions</u></b> Vanguard Health Care ETF (VHT) iShares U.S. Healthcare Providers ETF (IHF) Vanguard Consumer staples ETF (VDC) Invesco Dynamic Food and Beverage ETF (PBJ)	<p>In this Alpha issue we examined sector performance during recent recessions to determine:</p> <ul style="list-style-type: none"> <li>If defensive sectors really do outperform during economic contractions and</li> <li>Which defensive sectors have the best track record of performance leading up to, during, and after recessions.</li> </ul>	7/12/2022	VHT: 6.87% IHF: 0.80% VDC: 5.74% PBJ: 6.98%	SPY: 27.70%
<b><u>Five Strategies for a Low Return Environment</u></b> Strategy One: Effective Client Communication Strategy Two: Dividends Strategy Three: Short Term High Yield Debt Strategy Four: Cash is King Strategy Five: Precious Metals	<p>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.</p>	6/28/2022	NOBL: 14.15% SHYG: 15.00% SGOL: 12.79%	SPY: 27.76%

# Sevens Report Alpha Fund & Stock Ideas

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<u><b>Bottom Fishing with ARK Fund's Favorite Stocks</b></u> Zoom (ZM) Tesla Inc. (TSLA) Roku Inc. (ROKU) Block Inc. (SQ) Exact Sciences Group (EXAS)	This 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: <b>ARKK and the ARK Funds.</b>	6/14/2022	ZM: -31.52% TSLA: 16.41% ROKU: 25.37% SQ: 28.94% EXAS: 101.80%	SPY: 30.63%
<u><b>Bottom Fishing in Beaten Down Stocks</b></u> 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: 153.60% PYPL: -24.66% F: 3.49% GM: -3.71% ETSY: 2.24% PENN: -21.36%	SPY: 19.25%
<u><b>Assisting Clients Through a Potential Bear Market</b></u> Bear Market Statistics Bear Market Psychology Specific Tips for a Bear Market	In this Alpha issue 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.	
<u><b>Contrarian Bond Strategy</b></u> 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.	5/3/2022	BIV: -2.42% LQD: -2.02% PFF: -6.33%	AGG: -3.36%
<u><b>Staying Long With Lower Volatility ETFs.</b></u> USMC (Principal U.S. Mega Cap ETF) SPHD (Invesco S&P 500 High Dividend Low Volatility ETF) XYLD (Global X S&P 500 Covered Call ETF)	I've made it no secret that I'm concerned about the longevity of the rally given the looming Fed tightening, yield curve inversions, high inflation, etc. But, history has shown us clearly that markets can rally, on average, 15% after a yield curve inversion, and that rally can last more than a year.  Minimum volatility ETFs can provide general long exposure while also reducing the pain of sudden pullbacks, like we experienced several times in the first quarter.	4/19/2022	USMC: 10.88% SPHD: -13.06% XYLD: -19.33%	SPY: 6.71%

# Sevens Report Alpha Fund & Stock Ideas

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<b><u>Finding Opportunities in the New Energy Reality</u></b> 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: 7.78% URA: 16.01% BOAT: 14.92% LNG: 25.58% FLNG: 23.53%	SPY: 8.27%
<b><u>Russia/Ukraine Ceasefire Playbook</u></b> 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 <b>focused on identifying potential opportunities in the market for when there is a ceasefire declared in the Russia/Ukraine war.</b>	3/22/2022	EMB: 1.98% HYEM: 6.13% EUFN: 20.14% JETS: -6.16% FXE: 1.10%	SPY: 8.62%
<b><u>Bear Market Playbook (What Worked Last Time)</u></b> 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 this Alpha issue, <b>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).</b>  <u>Now, to be clear, we do not think a bear market is the most likely outcome for this market.</u> If we thought that, we'd be advocating for much more defensive positioning in the Sevens Report.	3/8/2022	MINT: -0.66% SGOL: -0.10% VNQ: -14.31% FXG: 2.38%	SPY: 14.08%
<b><u>What Would Outperform If Markets Turn Around?</u></b> 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)	This issue was inspired by this thought: <b><i>What if everything works out alright?</i></b>  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.	2/23/2022	XITK: 1.28% VCR: 8.72% USHY: -6.65% SRLN: -7.06%	SPY: 12.54%
<b><u>Finding Value and Opportunity in International ETFs</u></b> 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: 6.40% IQLT: 4.95% VYMI: 3.17%	SPY: 8.63%



# Sevens Report Alpha Fund & Stock Ideas

<u>Fund/Stock</u>	<u>Strategy</u>	<u>Date</u>	<u>Total Return</u>	<u>Benchmark Performance Since Issue Date</u>
<b><u>Weathering Market Volatility with "Quality" ETFs.</u></b> 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)	<p>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.</p> <p>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.</p>	1/25/2022	FXO: 1.10% QVAL: 21.26% SYLD: 13.53% RPV: 5.71%	SPY: 12.76%
<b><u>Practical Crypto Strategies for Clients</u></b> Greyscale Bitcoin Trust (GBTC) Amplify Transformational Data Sharing ETF (BLOK) ProShares Bitcoin Strategy ETF (BITO)	<p>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.</p>	1/11/2022	GBTC: 15.22% BLOK: -18.76% BITO: -23.20%	SPY: 1.10%
<b><u>Annual Contrarian Issue</u></b> 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)	<p>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.</p>	12/28/2021	KWEB: -31.21% CXSE: -44.79% GDX: 1.35% SIL: -21.49% XLU: -10.81% SPLV: -8.86%	SPY: -0.44%
<b><u>Best Performing COVID Strategies</u></b> 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)	<p>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.</p>	12/14/2021	XLK: 15.96% VGT: 10.71% FDN: -15.45% SHOP: -42.85% IBUY: -37.44% BLOK: -23.86% PAVE: 25.52%	SPY: 6.12%

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<u>Older Alpha Fund &amp; Stock Ideas and Performances</u>	Please <a href="#">click here</a> to view the full list of Alpha ideas and performance back to the start of the service in 2017.			