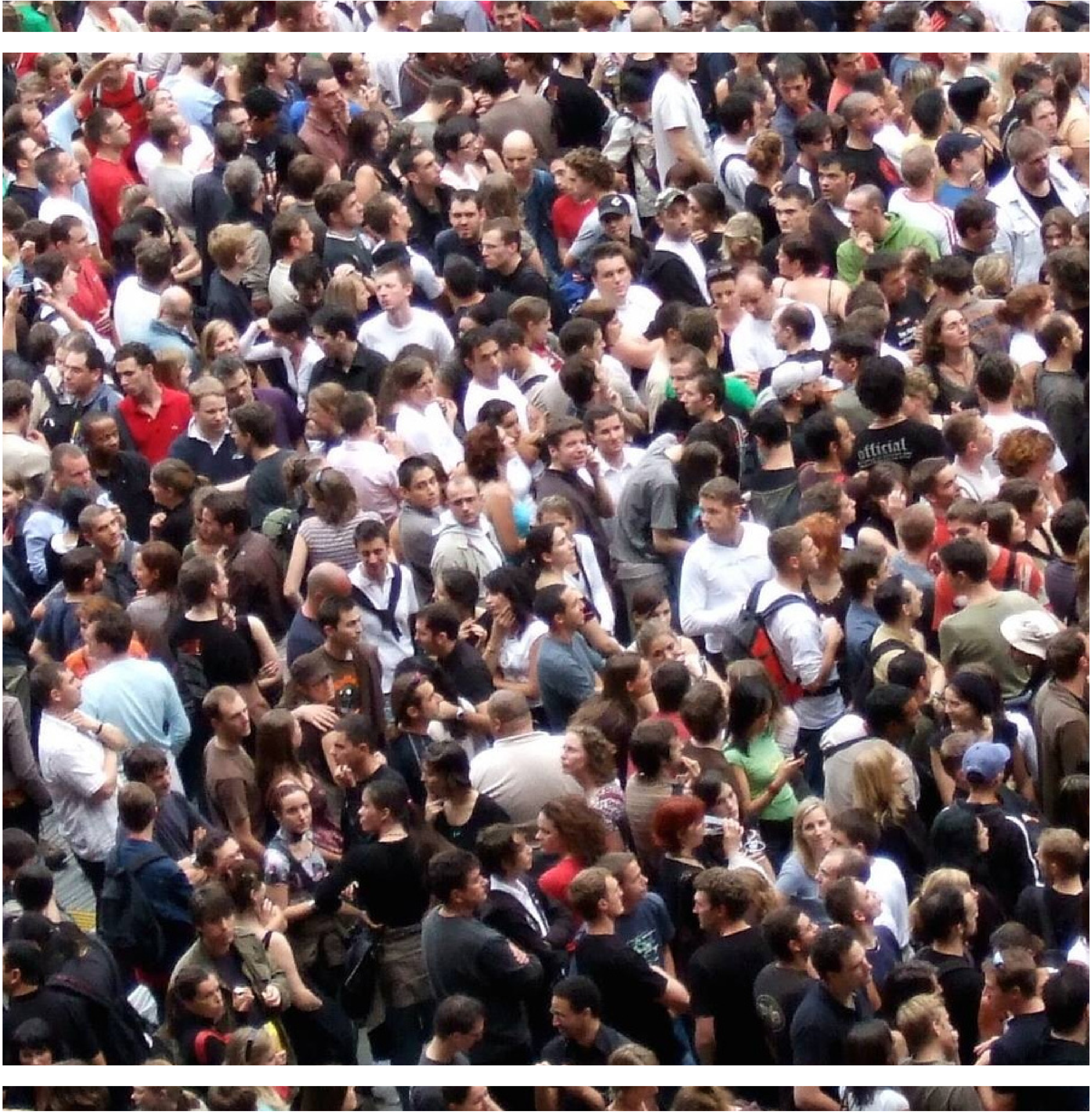

THE TOP THREE SPACS TO BUY IN A CROWDED MARKET

Courtesy of
The Profit Alert

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SPAC FRENZY IS HERE

SPACs, or **Special Purpose Acquisition Vehicles**, are the brand-new kind of IPO, and 2021 was a breakout year, with 100 SPACs going public in just January alone, raising a record $26 billion.

Not only that, but we also have hundreds of SPACs sitting on billions of dollars in capital ready to deploy.

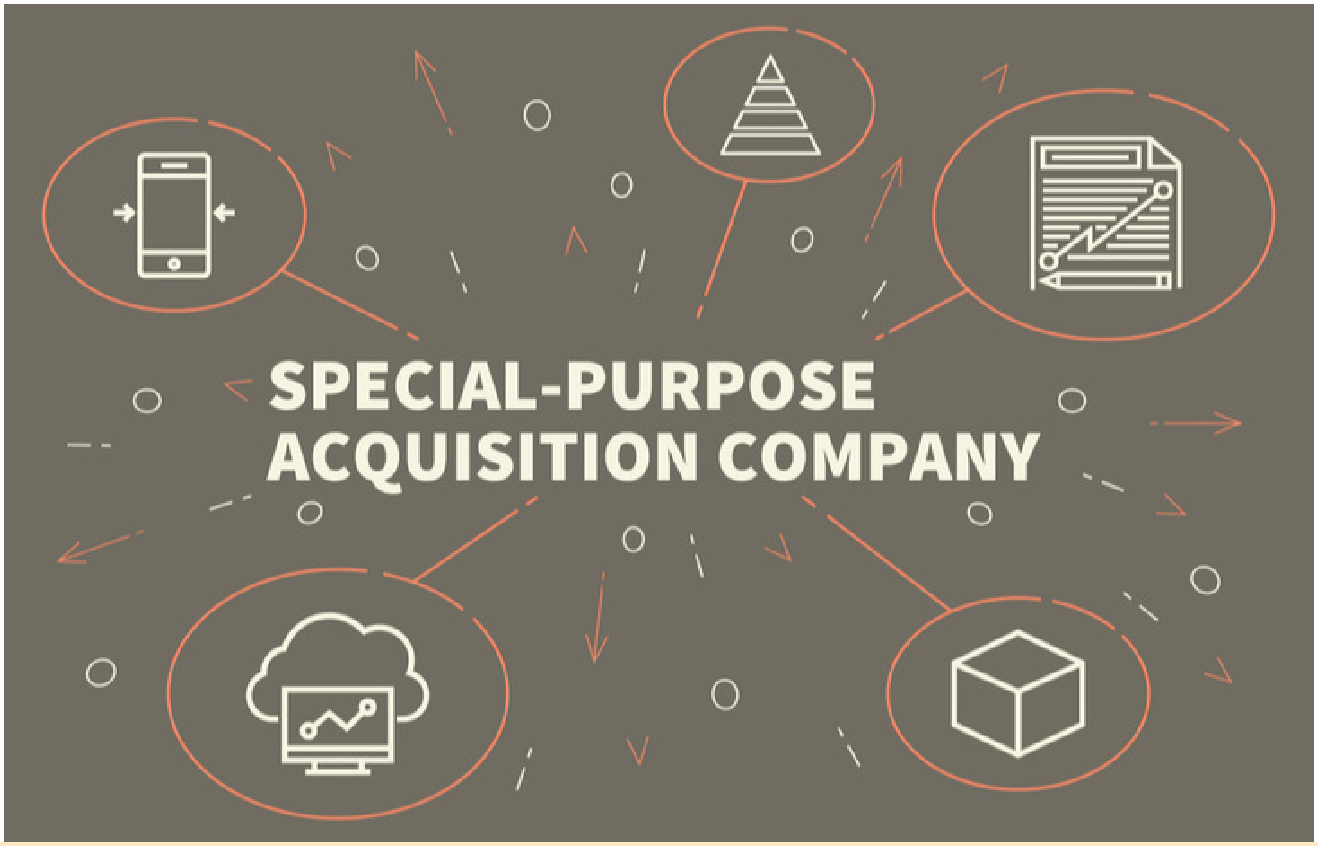
The best part is we don't have to wait for investment banks to inflate prices and miss out on all the early gains. Through a SPAC, you can get in before the company is brought public.

Now, it makes sense that everyone is talking about these special purpose acquisition companies, given the large gains.

For example, you could have invested in **Virgin Galactic Holdings Inc.** (Nasdaq:SPCE) when it was trading under $10, before it zoomed 300% higher. Or **DraftKings Inc.** (DKNG), which popped 600%.

But SPACs themselves aren't new. Only their popularity is...

The right way to invest in SPACs can be ridiculously profitable and is as close to risk-free investing as you will ever find in the world of finance.



How SPACs Work (and A Warning)

SPACs are “blank check” companies. A sponsor forms a SPAC and raises money via a regular IPO. The intent is to use the money to buy another business. The sponsor may specify a particular industry or sector they are looking to enter, but that’s not always the case.

When the stock first hits public markets, you will notice a “U” at the end of the ticker symbol. This stands for units, and it is what IPO investors receive, which consists of one share of common stock and a portion of a warrant. The warrant is like a call option issued directly by the company, so instead of a contract to purchase existing shares, it’s a contract that states that the company will issue new shares and sell them to you at a fixed price if you exercise it.

Sometime after the IPO, the common shares and warrants will trade separately, and generally, the stock will start trading around $10. If you purchase the units, they will separate after 52 days of trading. The sponsor has a fixed time frame, usually 18 months or two years, to close a deal. If no deal is closed, everybody gets their money back. Until a deal is done, the money is kept in a trust invested in treasury bills. If they make a deal and you as a shareholder do not like the deal, you can vote to have your cash returned to you. This can only be done before the deal is officially closed.

That sounds like a great deal... but things get a little trickier from here.

The Problem with SPAC Investing

As an investor, you need to understand right out of the gate that the big winner in a SPAC deal is the sponsor. SPAC sponsors typically receive 20% of the common equity in the SPAC for an investment of approximately 3% to 4% of the IPO proceeds.

In a $250 million SPAC deal, sponsors could put up as little as $7 million themselves but end up in control of $50 million worth of stock. That's a massive payday for the sponsor if the deal goes well, so it's no surprise to see a lot of big-name investors sponsoring SPACs all of a sudden. This also means they are trying to make the best deal for you.

Well, not every SPAC is a winner. And paying a premium to get into them can be a big mistake.

Consider what you are saying when you buy a SPAC at a 30% or 40% premium over the trust value. Your purchase says that you believe the sponsor is so good that he creates 30% or 40% more value in the unknown target company just by purchasing it.

The Better Way

But there is a way to make a lot of money with SPACs by playing it smart.

One way is buying SPAC IPOs and then selling the warrants when investors can trade them independently of the shares, giving you a discount on the trust value.

If the SPAC makes a deal and the stock pops, that is fantastic. You can sell at a higher price. If the stock does not pop on a deal, then you can redeem your shares and get your $10 back and bank a profit on the sale of the warrants.

The right way to invest in SPACs can be ridiculously profitable and is as close to risk-free investing as you will ever find in the world of finance.

The problem right now is finding SPACs trading near trust value given how fast this market is moving. This is why we want to help you identify targets early. With hundreds of pre-IPO SPACs getting ready to go public, we want to help you find the best SPACs to target.

KKR Acquisition Holdings I Corp.

TRUST VALUE: $1.2 BB
NYSE: KAHCU
NOT LIMITED TO SPECIFIC INDUSTRY OR SECTOR

KKR & Co. Inc. (NYSE:KKR), or Kohlberg Kravis and Roberts, is one of the oldest and most successful private equity firms in history. Founded back in 1976, just before the buyout boom of the 1980s began, KKR has earned an average internal rate of return on its private equity investors of 25.9%, according to company officials.

I have to assume they know a little bit about buying businesses.

The CEO of this $1 billion SPAC is going to be Glenn Murphy. If the name is at all familiar to you, it's because he is the chair of the board of directors of **Lululemon Athletica Inc.** (Nasdaq:LULU), the popular athletic apparel company. He was also the CEO of the GAP from 2007 to 2014. Before that, he was chairman and CEO of Shoppers Drug Mart, Canada's largest health and beauty brand.

In 2015, he founded FIS Holdings to invest in consumer companies. It is a high-impact firm that engages with management to help improve the business. In addition to Lululemon, the firm has investments in Aimbridge Hospitality, Serta Simmons Bedding, Whole Foods Market, and Bloomin' Brands.

Two KKR partners will be on the board with Murphy. Senior Advisory Partner Paul Raether will be a director. He has been with KKR since 1980 and has worked on some of the biggest deals the private equity firm has done over the last 40 years. U.S. Consumer Economist and Managing Director Paula Roberts will also be a director. She has been with KKR since 2017 and leads macro real estate investment research. She also partners with real estate, consumer private equity, and credit deal teams.

If we are going to be betting on a SPAC's leadership to get a great deal done, I like our chances with this team running the show.

TRUST VALUE: $500 MM
NYSE: MSDAU
NOT LIMITED TO SPECIFIC INDUSTRY OR SECTOR

At MSD Acquisition Corp., the team is impressive, starting with one of the most recognizable names in tech as its strategic advisor.

Michael Dell is the founder and CEO of Dell Technologies and MSD Capital, his private investment firm. We are talking about the person who created one of the largest PC brands in the world.

The management team all have a significant amount of banking experience. **Gregg Lemkau**, who is serving as the CEO, spent 28 years at Goldman Sachs, where he was most recently co-head of the Investment Banking Division, and **John Cardoso**, who is serving as the CFO, was the Managing Director at Davidson Kempner Capital Management and director at Clearwater Capital Partners.

They also have a great set of directors who have worked with some of the biggest tech companies in the world. James Breyer is the founder and CEO of Breyer Capital and has served on the board of directors of The Blackstone Group, Twenty-First Century Fox, Facebook, Etsy, Dell, and Walmart. Edith Cooper, the co-founder of Medley, served on the board of Etsy and Slack Technologies. Lastly, Barry McCarthy is a venture partner at Technology Crossover Ventures and is currently on the board at Spotify Technology, for which he previously served as the CFO.

This all-star team is one I'm watching closely, and while they have not selected a targeted industry, the company plans to focus on businesses in high-growth sectors, with large and growing end markets, superior unit economics, and sustainable competitive advantages.

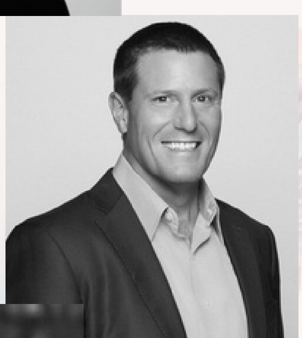
FRX FOREST ROAD ACQUISITION CORP

TRUST VALUE: $350 MM
NYSE: FRXBU
NOT LIMITED TO SPECIFIC INDUSTRY OR SECTOR

FRXBU started trading on 3/12/21 but has not yet commenced any operations.

(You may recognize this name from their first SPAC, which recently announced a merger with Beachbody and saw their stock pop over 40% in a matter of days.)

With a management team like that, this is one SPAC I want to keep on our radar.



- **Co-CEO Thomas Staggs** was the CFO at Disney from 1998-2010 and led it through the acquisitions of ABC, Pixar, and Marvel Entertainment. This is the kind of person you want looking at acquisitions. He also served as the chairman of Parks and Resorts.

- **Co-CEO Kevin Mayer** was the EVP of the Disney Internet Group. This included ESPN.com and Disney+, for which he helped lead the strategy.

- **Strategic Advisor Shaquille O'Neal**: While you may think of him as just an athlete, he is also a strategic investor. He invested in Google prior to its IPO and Ring prior to its sale to Amazon. He also owns multiple franchises, including Auntie Anne's and Papa John's.

STRATEGIC TECH INVESTOR TEAM

Alex Kagin is the Director of Technology Investing Research at Money Map Press. He has spent the last decade working in equity research, most recently with Energy Capital Research Group (ECRG), where he led tech stock research along with working as part of a team developing a customizable financial data platform for securities analysis. Prior to ECRG, Alex spent 8 years at DeMatteo Research, a boutique primary research firm and broker-dealer servicing the institutional investment community. He managed the Tech, Media, and Telecom vertical where he spent time connecting with hundreds of tech executives and hedge funds to get the pulse of the market. Alex has a B.S. in Economics from American University and previously held Series 7 and 63 security licenses.

Michael A. Robinson is a 36-year Silicon Valley veteran and one of the top tech and biotech financial analysts working today. As a consultant, senior adviser, and board member for Silicon Valley VC firms, Michael was one of five people involved in early meetings for the $160 billion "cloud" computing phenomenon... He was there as Lee Iacocca and Roger Smith, the CEOs of Chrysler and GM, led the robotics revolution that saved the U.S. automotive industry... and was with Dave DeWalt, the CEO of McAfee, right before Intel acquired his company for $7.8 billion.

In addition to being a regular guest and panelist on CNBC and Fox Business, he is also a Pulitzer Prize-nominated writer and reporter. His first book *Overdrawn: The Bailout of American Savings* warned people about the coming financial collapse - years before the word "bailout" became a household word. Silicon Valley defense publications vie for his analysis. He's worked for *Defense Media Network* and *Signal Magazine*, as well as *The New York Times*, *American Enterprise*, and *The Wall Street Journal*.