JANUARY 2017 UPDATE

We group similarly managed accounts into five core account styles (Growth, Growth & Income, Moderate Balanced, Conservative Balanced and Retirement Income) identified by their general level of conventional investment risk, two specialty account styles (High Monthly Payout and Alternative), and two newer income oriented portfolios (Closed-End Fund and ETF Option Income). We present these net-of-fee results with SSB composites in boldface. (For the sake of comparison, we also include returns for blended benchmarks, various indexes, and mutual fund/ETFs.)

Salzinger Sheaff Brock	Three Mths	One Yr	Three Yrs	Five Yrs
Growth	**1.8%**	**8.3%**	**5.0%**	**11.1%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*1.8%*	*8.2%*	*3.2%*	*9.3%*
Growth & Income	**1.0%**	**7.4%**	**4.7%**	**10.0%**
Benchmark (80% Lipper Multi-cap Core/20% Lipper General Bond Fund)	*1.3%*	*8.1%*	*3.2%*	*8.7%*
Moderate Balanced	**1.4%**	**8.3%**	**4.7%**	**9.5%**
Benchmark (70% Lipper Multi-cap Core/30% Lipper General Bond Fund)	*0.9%*	*7.9%*	*3.1%*	*7.7%*
Conservative Balanced	**0.6%**	**7.2%**	**4.3%**	**7.6%**
High Monthly Payout	**-0.3%**	**6.8%**	**3.1%**	**N/A**
Closed-End Income	**-2.0%**	**13.9%**	**N/A**	**N/A**
ETF Option Income	**1.8%**	**N/A**	**N/A**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*0.5%*	*7.7%*	*3.0%*	*7.4%*
Retirement Income	**0.8%**	**7.6%**	**4.1%**	**7.3%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*0.1%*	*7.4%*	*2.9%*	*6.7%*
Alternative	**-4.3%**	**4.8%**	**-2.9%**	**-0.6%**
Benchmark (50% GSCI/50% Lipper Emerging Market Fund)	*0.6%*	*12.3%*	*-11.5%*	*-5.5%*
Index				
S&P 500	3.8%	12.0%	8.9%	14.7%
Russell 3000 &&	4.2%	12.7%	8.4%	14.7%
Russell 2000 ##	8.8%	21.3%	6.7%	14.5%
MSCI EAFE @@	-0.7%	1.0%	-1.6%	6.5%
MSCI Emerging Markets	-4.2%	11.2%	-2.6%	1.3%
Barclays Aggregate Bond	-3.0%	2.7%	3.0%	2.2%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	0.8%	8.3%	4.7%	9.7%
Vanguard LifeStrategy Moderate Growth #	-0.1%	7.1%	4.5%	8.0%
Vanguard LifeStrategy Conservative Gr @	-1.0%	6.0%	4.2%	6.2%
Vanguard LifeStrategy Income ^	-1.9%	4.6%	3.8%	4.3%
DB Commodity Index Tracking Fund !	5.5%	18.6%	-14.9%	-10.0%

Through December 2016. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Note: &&A good measure of the broad market, ##Small-cap stocks. @@Developed market foreign stocks. Style Comparisons: &A comparison for SSB Growth and SSB Growth & Income. #A comparison for SSB Moderate Balanced. @A comparison for Salzinger Sheaff Brock, LLC (SSB) Conservative Balanced. ^A comparison for SSB Retirement Income. !A comparison for SSB Alternative. Composites include all fully discretionary accounts including those accounts no longer with the firm of reasonable size that are substantially invested in accordance with the composite strategy or style. Returns are presented net of management fees and all trading expenses, and the reinvestment of all income. Net-of-fee performance was calculated using actual management fees,. Actual advisory fees and transaction fees will vary depending on, among other things, the portfolio, account size, and activity. Fees are described in SSB's ADV Part 2A. The securities mentioned in this report can be, and often are, owned by clients and employees SBIA. ***Past performance is not indicative or a guarantee of future results.*** *(continued on back)*

Most of our client accounts produced at least fairly good performance in 2016, in our opinion. Relative to the appropriate LifeStrategy competitor fund from Vanguard, the composite return of our Retirement Income accounts performed best from among our core investment strategies, 7.6% after all fees and expenses, versus 4.6% for Vanguard LifeStrategy Income Fund (VASIX). Compared to that fund, our typical Retirement Income account has considerably more in U.S. equities, and considerably less in bonds. While some may say this renders the comparison meaningless between us and VASIX, we believe we should receive credit for this asset allocation decision. We chose to maintain a typical equity position up near 50% of assets, instead of the lesser percentage we would have chosen had we been more positive on investment-grade bonds.

Looking Ahead. We think the U.S. equity market can achieve a total return in the range of 5% to 10% for 2017. In the early stages of a tightening cycle by the Federal Reserve Board, especially if the launching point is at a low level of rates, the equity market tends to perform well. In fact, it can take years for the market to succumb for an extended period after the onset of a tightening cycle.

Though valuations start the year at a fairly high level, they are not yet at the point where we get especially nervous. For example, while the price/earnings ratio (P/E) of the S&P 500 on forecast earnings is in the high teens, versus an average over many decades in the mid-teens, it's really a P/E above 20 that is associated with well below average returns over the next 12 months.

Though valuations may actually fall a bit this year as interest rates rise, corporate earnings are likely to increase enough to compensate for the downward pressure this would cause in stock prices. The global economy is now strong enough to support higher profits, especially in the U.S., where growth is stronger and President-elect Trump is likely to sign large infrastructure projects into law, all the

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while using carrots and sticks to encourage American corporations to repatriate profits and increase investment in this country.

Investor sentiment is also in the market's favor. Investors have recently become more bullish on the market, which may translate into stronger flows into mutual funds, exchange traded funds and individual stocks. If and when such sentiment gets to an extreme, we'll view it as a contrary indicator suggesting that more caution is warranted. For now, though, our experience tells us it would be better to ride the optimistic trend.

None of this is to suggest an overly optimistic view. We do not expect huge total returns in 2017. Valuations are not low enough, and neither are corporate earnings likely to increase enough, for that. However, we certainly believe that a portfolio including a diversified portfolio of equity investments, as well as a smattering of fixed income funds sensitive to credit quality, not interest rates, is likely to perform much better than an all-cash or government bond-heavy portfolio this year.

To get started in any of our strategies, please call us at 866-575-5700, or send an email to info@salzingersheaffbrock.com. We look forward to hearing from you!

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Thank you for your continued interest in Salzinger Sheaff Brock (SSB), the only source of actual personalized money management by me,

Mark Salzinger

Chief Investment Officer and Portfolio Manager