JANUARY 2022 UPDATE

We provide composite returns for Growth, Growth & Income (a combination of "Growth & Income" and "Moderate Balanced" accounts), Conservative Balanced, Retirement Income (a combination of "Retirement Income" and "High Monthly Payout" accounts) and Closed-End Income. We present net-of-fee results in the following table. (SSB composites are in boldface.) For the sake of comparison, we also include returns for various indexes and blended benchmarks that we believe are commensurate in risk to our strategies, as well as passively managed funds-of-funds from Vanguard.

Salzinger Sheaff Brock	Dec. 2021	2021	3 Years	5 Years
Growth	**2.6%**	**15.4%**	**22.2%**	**15.1%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*4.0%*	*16.6%*	*18.4%*	*12.6%*
Growth & Income	**2.3%**	**13.3%**	**18.8%**	**13.0%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*3.4%*	*14.0%*	*16.7%*	*11.5%*
Conservative Balanced	**2.0%**	**10.5%**	**15.0%**	**10.4%**
Closed-End Income	**2.6%**	**13.7%**	**14.4%**	**9.8%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*2.8%*	*11.4%*	*14.9%*	*10.3%*
Retirement Income	**1.9%**	**8.1%**	**11.2%**	**7.7%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*2.4%*	*9.7%*	*13.6%*	*9.5%*
Index				
S&P 500	4.5%	28.7%	26.1%	18.5%
Russell 3000 &&	3.9%	25.7%	25.8%	18.0%
Russell 2000 ##	2.2%	14.8%	20.0%	12.0%
FTSE Global All Cap X-US@@	4.3%	9.1%	14.2%	10.2%
Barclays Aggregate Bond	-0.3%	-1.5%	4.8%	3.6%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	3.1%	14.4%	17.6%	12.5%
Vanguard LifeStrategy Moderate Growth #	2.1%	10.1%	14.3%	10.3%
Vanguard LifeStrategy Conservative Gr @	1.3%	6.1%	11.0%	8.1%
Vanguard LifeStrategy Income ^	0.3%	1.9%	7.6%	5.7%

Through 12-31-2021. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Returns over 12 months annualized. Notes: &&A benchmark for the entire U.S. stock market, ##Small-cap stocks. @@ Foreign stocks, including developed foreign countries and emerging markets. Style Comparisons: &A good comparison for SSB Growth and SSB Growth & Income. #A slightly lower risk comparison for SSB Growth & Income. @A good comparison for Salzinger Sheaff Brock, LLC (SSB) Conservative Balanced. ^A good comparison for SSB Retirement Income. Composites include all fully discretionary, management fee-paying 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 maximum management fees and all trading expenses, and the reinvestment of all income. Net-of-fee performance was calculated using maximum 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. Securities mentioned in this report may be owned by clients and employees of SSB. Past performance is not indicative or a guarantee of future results (continued on back).

Of course, it's common for us money managers in January to review the performance from the previous year. The table provides much of what you need to know in this regard: factoring in our maximum management fee of 0.96% per year, we had only a decent year in relative terms. With the exception of our closed-end fund accounts, which performed well for having devoted a high percentage of their assets to such income-producing investments as funds for floating-rate loans, high-yield bonds, and options strategies, our composites modestly lagged their benchmarks, though not some Vanguard asset-allocation funds of comparative objectives to our core strategies.

However, one could argue that given how well many of our accounts performed in 2020, it wasn't that surprising that our performance came down to earth somewhat in 2021. Most equities that did well in 2020 were no longer as attractively priced as they had been a year prior, for example, while the general, if fitful, trend toward economic reopening tended to favor a different kind of stock than what helped our returns in 2020.

The main culprit was our exposure to the small-cap growth area, which had previously done so well for us. As I wrote last month, the area was held back last year not only by the changing macroeconomic backdrop but also by fears of rising interest rates, which especially hurt "long-duration" assets like long-term Treasury bonds and small-cap growth stocks, whose earnings can be far in the future.

Given this, our performance last year could have been a heck of a lot worse. We benefited from adding more 'value' exposure earlier in the year, though we are still tilted for long-term reasons toward 'growth.' We also benefited from having less in foreign stocks. And finally, compared with competitors who invest in bonds as well as stocks in one account or fund, we benefited from keeping our aggregate debt maturities short in a year in which longer-term rates rose and the Barclays Aggregate Bond Index produced a loss of 1.5%.

Meanwhile, back in the present, we're sure many of you are more concerned with events during the first few weeks of 2022 than last year's financial markets. Though it's too early to provide details on performance yet for 2022, both the stock market and most of our accounts took multiple hits during the first few weeks of the year.

The biggest culprits by far so far this year are the same funds that hurt our relative performance in 2021: small-cap growth. Thing is, instead of generally being up modestly in a year of big gains for the S&P 500, they are now down considerably. With inflation at high levels, interest rates expected higher and economic angst at a fever pitch as Omicron COVID cases explode, investors globally have been wanting to lower the risk of their portfolios. One way is by selling stocks with high P/Es, including small-cap growth stocks, but also by trimming exposure to larger-cap ones, many of which are struggling mightily so far this year after holding up quite well in 2021.

While I am always looking at each account in light of the particularities of each client, in general I am resisting the urge to trim shares of

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small-cap growth funds, for a couple of reasons. First, though they are not cheap in absolute terms, they are much more attractively priced than they were a year ago, when their revenue and/or earnings were considerably smaller than now. And second, some of these are the large companies of the future, and likely will turn out to be some of the most explosive stocks of the next decade. They produce electronic technology, cloud computing, financial technology, biotechnology and other products and services that will become increasingly important parts of the global economy as time passes and the rate of technological change, scientific discovery and implementation accelerates. I am willing to hold on to these funds in the hope of wonderful profits down the road, despite the near-term turbulence. I hope you are, too.

On the bright side, most accounts are currently benefiting from larger-than-normal cash positions for us. I generally resisted the tendency to reinvest year-end mutual-fund distributions back into equity funds, for the time being, as this provided a useful way to hold some cash in reserve both to manage risk and have some ammunition to buy at potentially lower prices down the road. Such distributions were substantial last year. Though initially irritated by their size last year because of the tax liability they created for those with taxable accounts, I am now somewhat glad for them, as they rebalanced accounts somewhat and lowered risk entering into 2022 (since I didn't reinvest, in most cases).

Given the macroeconomic backdrop and COVID, I expect 2022 to continue to be a tumultuous year. However, despite the pervasive gloom and doom currently afflicting most investors, there certainly are glimmers of hope. Omicron should recede, more effective treatments should be disseminated allowing people back to work, supply and demand should normalize somewhat allowing inflation to drop—this year or next. Of course, the world has enormous problems, but there also exists tremendous opportunities for innovative companies to solve problems, improve lives and, therefore, make significant money for their shareholders. I want all of us to be along for the ride back up. In the meantime, Happy New Year!

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

Mark Salzinger
Chief Investment Officer and Portfolio Manager