APRIL 2017 UPDATE

Housekeeping note: We now group our Growth & Income and Moderate Balanced accounts into one composite for the purpose of reporting performance. We do the same for Retirement Income and High Monthly Payout accounts. Nobody's account has been changed due to these reporting changes.

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	YTD	One Yr	Three Yrs	Five Yrs
Growth	**6.1%**	**15.4%**	**6.7%**	**10.2%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*6.0%*	*14.3%*	*4.9%*	*8.6%*
Growth & Income	**5.3%**	**13.3%**	**6.0%**	**9.1%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*5.3%*	*12.7%*	*4.6%*	*7.7%*
Conservative Balanced	**4.2%**	**10.9%**	**5.2%**	**7.1%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*4.6%*	*11.0%*	*4.3%*	*6.9%*
Closed-End Income	**6.1%**	**16.0%**	**N/A**	**N/A**
ETF Option Income	**5.7%**	**N/A**	**N/A**	**N/A**
Retirement Income	**3.5%**	**10.0%**	**4.8%**	**6.3%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*4.1%*	*10.0%*	*4.0%*	*6.3%*
Alternative	**8.0%**	**10.8%**	**-0.8%**	**0.1%**
Benchmark (50% GSCI/50% Lipper Emerging Market Fund)	*3.4%*	*14.3%*	*-10.9%*	*-6.7%*
Index				
S&P 500	6.1%	17.2%	10.4%	13.3%
Russell 3000 &&	5.7%	18.1%	9.8%	13.2%
Russell 2000 ##	2.5%	26.2%	7.2%	12.4%
MSCI EAFE @@	7.3%	11.7%	0.5%	5.8%
MSCI Emerging Markets	11.5%	17.2%	1.2%	0.8%
Barclays Aggregate Bond	0.8%	0.4%	2.7%	2.4%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	5.6%	13.1%	6.0%	8.8%
Vanguard LifeStrategy Moderate Growth #	4.4%	9.9%	5.3%	7.3%
Vanguard LifeStrategy Conservative Gr @	3.1%	6.8%	4.6%	5.7%
Vanguard LifeStrategy Income ^	1.8%	3.7%	3.8%	4.1%
DB Commodity Index Tracking Fund !	-4.0%	14.5%	-16.5%	-12.0%

YTD through 3/31/2017. 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 and is annualized for multi-year periods. 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)*

Worried about potentially rising interest rates and their effect on plain-vanilla, investment-grade bonds, many folks have been asking me lately for advice on substitutes for such investments. They want similar, or higher, payouts, but from investments unlikely to suffer as much (or at all) if interest rate rise.

The good news is that such investments do exist. The not-so-good news is they aren't exactly cheaply priced at the moment. The important thing is to be ready to pounce by purchasing them when something knocks their prices down to a more attractive entry point.

For example, many electric utility and telecommunication stocks currently have dividend yields far in excess of the yield of the 10-year Treasury bond. However, our favorite ETF for the former group is priced near its 52-week high, while its yield has fallen to about 3.25%. We consider this one a "hold," based on valuation, but would consider buying it about 7% cheaper than its current price. While valuations are more attractive among some telecommunication services stocks with high dividends, the intense competitive pressure within that sector scares us away in most cases.

The U.S. stock market as a whole has a dividend yield of about 2%. While low when compared with the market yield over many decades, this is about where it has been over much of the more recent past. Of course, 2% is a market-capitalization weighted average of all the stocks in the market, so plenty of equities yield more. Such stocks can be found all over the market. Various ETFs and conventional mutual funds emphasize them. Currently, a good, low-expense "equity income" fund or ETF would typically yield between 2.5% and 3%--not bad, but certainly nothing to write home about. Plus, though such funds and ETFs tend to be less volatile than typical equity funds during bear markets, they almost certainly would fall much more in price than an investment-grade bond fund during tough

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times. We like some equity income funds and ETFs, but are under no illusions that they are great values currently. Despite generally lower potential for capital appreciation than the market, their price/earnings ratios are now only modestly lower, generally speaking.

Within the fixed-income universe, high-yield taxable and municipal bonds offer only decent value currently. For example, the spread between the yields of the broad high-yield bond market on the one hand and U.S. Treasuries on the other is well below average—not as tight as right before the market meltdown began in late 2007, but certainly in the bottom 20% of the range since the late 1990s. Now, if the economy continues to grow moderately and default rates stay down, broad portfolios of high-yield bonds should continue to perform acceptably…and they are unlikely to fall much, if at all, if interest rates rise in a reasonable, moderate path. So, though we watch them closely for any signs of significant deterioration, we are content to hold them now and look for good entry points for new purchases.

Of course, some folks know that I now offer accounts in which I specialize in closed-end income funds and options on ETFs, respectively. The former are very intriguing when they can be purchased with large discounts to net asset value, which is happening opportunistically these days but certainly not across the universe of closed-end funds. The latter type of investment is also intriguing, in that the income produced from the options can be considerably higher than the interest from a typical bond fund. Nevertheless, from the standpoint of total portfolio value, it's essential to have a high batting average on the underlying ETFs in options strategies, since the options limit the upside potential.

Please look to the performance table on the front page to see the performance I have been able to produce with these two products.

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