MAY 2021 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	April 2021	YTD	12 Months	3 Years	5 Years
Growth	**4.7%**	**7.6%**	**46.2%**	**16.1%**	**15.3%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*2.9%*	*9.9%*	*45.6%*	*12.4%*	*12.7%*
Growth & Income	**4.0%**	**6.2%**	**38.5%**	**13.6%**	**13.0%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*2.7%*	*8.0%*	*38.8%*	*11.6%*	*11.6%*
Conservative Balanced	**3.3%**	**5.1%**	**30.8%**	**11.0%**	**10.5%**
Closed-End Income	**2.6%**	**7.5%**	**32.6%**	**9.8%**	**10.1%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*2.4%*	*6.1%*	*32.4%*	*10.7%*	*10.3%*
Retirement Income	**2.7%**	**3.4%**	**22.0%**	**7.6%**	**7.9%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*2.2%*	*4.8%*	*28.2%*	*10.0%*	*9.5%*
Index					
S&P 500	5.3%	11.8%	46.0%	18.7%	17.4%
Russell 3000 &&	5.2%	11.8%	50.9%	19.0%	17.7%
Russell 2000 ##	2.1%	15.1%	74.9%	15.2%	16.5%
FTSE Global All Cap X-US@@	3.2%	7.2%	45.4%	7.6%	10.4%
Barclays Aggregate Bond	0.8%	-2.6%	-0.3%	5.2%	3.2%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	3.5%	7.3%	37.6%	12.5%	12.4%
Vanguard LifeStrategy Moderate Growth #	2.7%	4.7%	27.2%	10.7%	10.2%
Vanguard LifeStrategy Conservative Gr @	2.0%	2.2%	17.6%	8.9%	7.9%
Vanguard LifeStrategy Income ^	1.2%	-0.3%	8.3%	6.8%	5.5%

Through 4-30-2021. 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).

Stocks and funds of the 'growth' style mounted a bit of a comeback in April. For example, the U.S. growth stock funds and ETFs tracked in my investment newsletter, *The No-Load Fund Investor*, gained an average of 5.4% during the month, versus 3.7% for funds and ETFs of the 'value' style.

Nevertheless, I think the odds favor value regaining the lead for the time being. The first question is, for how long? My best guess is not very. The second question is, if I don't expect an advantage for value to last for more than six to nine months, does it make sense to make any additional changes in the accounts, many of which are less oriented toward the growth style than they were, say, six months ago, after which I made some changes to reflect expectations of economic recovery?

I think it makes more sense at this point to maintain the style exposures within the equity portfolios of most accounts than to change them further toward value. One reason is that short-term timing, whether on style or the overall market, is notoriously difficult to get right on the buy *and* sell, as opposed to the buy *or* sell. In my now three-decade career as an investment analyst, newsletter publisher/editor and portfolio manager, while I've seen some successful market calls, I've rarely seen the same people making them additionally get the time right on when to reverse. While they might sell at a propitious time, for example, stocks are virtually never cheap enough for them to get back in. Or, while they might be right in switching from growth to value, for example, they are rarely correct on getting back in to growth, or vice versa.

I think it's especially dangerous to make big changes away from long-term trends in favor of shorter-term style and market timing. Because I think long-term demographic and ideological trends favor growth stocks, I don't want to risk having too little in them when the cycle returns them to favor. So, I prefer the kind of 'around the edges' changes I've made since last year, which has enabled the accounts to perform reasonably well so far in 2021, despite being a bit out of sync with the short-term trend.

I'd also like to share a bit of my thoughts this month on the bond market, or, more accurately, alternatives to it. If the economy continues to rebound strongly, inflation in excess of 2% annually is likely to continue and interest rates on higher-quality bonds should rise. When rates rise, bond prices fall, and who wants to lose money on bond investments? So, I've reduced exposure to conventional higher-quality, longer-term bond funds within many accounts. Now, the question is, in what can one invest the proceeds from such sales?

One place would be higher-yielding, lower-quality bonds, especially short-term ones like short-term high yield corporates and floating rate loans. And many of the accounts do have considerable exposures to these areas. However, these investments have already experienced gains and are not that attractively priced anymore, either. Therefore, I wouldn't want to put as much in them as one might allocate to high-quality bonds during 'normal' times.

Continued on back

I read recently that Ray Dalio, legendary founder of Bridgewater Associates, a leading manager and provider of hedge funds, sees cryptocurrency as an alternative to bonds, partially because he sees digital money as a hedge against a potential decline in the value of fiat currencies (the U.S. dollar, euro, yen, etc.). Not for me, thanks. Even if rates on the 10-year Treasury bond were to rise, say, by two percentage points, for example, its decline in price would be on the order of 10%. In Bitcoin and the like, one can lose 50% or more in a few days! In other words, the risk profile is completely different. Though you can lose your proverbial shirt in long-term Treasuries if rates rise a lot more than I expect, you can lose your entire wardrobe in Bitcoin and the like for all kinds of reasons.

In place of high-quality bonds with interest rate risk, I'm looking increasingly for non-bond investment funds with records of consistent modest returns, low volatility, and limited correlation to equities. Not easy to find. However, without naming names and thereby giving away the store, I have been able to find one or two such offerings in three areas: event-driven funds (e.g., arbitrage in mergers and restructurings), options-oriented funds (mainly covered calls in combination with other strategies), and convertible-bond arbitrage. Before investing my own or any client money in any of these products, I look at previous returns both on a calendar-year basis and during especially bad times, particularly from February 19, 2020, through March 23, 2020, when broad indexes of the U.S. market plummeted by about a third. If funds in the three areas just mentioned have good long-term risk-adjusted records along with losses of less than 10% or so during that short, scary bear period , I'm interested, especially if they rebounded nicely and produced gains for all of 2020.

For more information or to get started in any of our strategies, please call or email us; contact information is below.

Thank you, in advance, for your interest!

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For more information on our strategies, call us at **866-575-5700**, or send an email to **info@salzingersheaffbrock.com**. We look forward to hearing from you!

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

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