JUNE 2017 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), Closed-End Income, ETF Options Income and Alternative. 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, and a PowerShares ETF.

Salzinger Sheaff Brock	YTD	One Yr	Three Yrs	Five Yrs
Growth	**8.9%**	**15.9%**	**7.3%**	**12.6%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*9.7%*	*16.3%*	*5.3%*	*11.2%*
Growth & Income	**8.0%**	**13.9%**	**6.6%**	**11.1%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*8.6%*	*14.4%*	*4.9%*	*9.9%*
Conservative Balanced	**6.7%**	**11.4%**	**5.6%**	**8.6%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*7.6%*	*12.5%*	*4.5%*	*8.5%*
Closed-End Income	**11.1%**	**16.1%**	**N/A**	**N/A**
ETF Option Income	**6.3%**	**N/A**	**N/A**	**N/A**
Retirement Income	**5.5%**	**10.2%**	**5.0%**	**7.4%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*6.9%*	*11.3%*	*4.2%*	*7.6%*
Alternative	**10.1%**	**12.6%**	**-0.6%**	**2.4%**
Benchmark (50% GSCI/50% Lipper Emerging Market Fund)	*3.9%*	*9.0%*	*-11.4%*	*-4.0%*
Index				
S&P 500	8.7%	17.5%	10.1%	15.4%
Russell 3000 &&	8.0%	17.7%	9.7%	15.2%
Russell 2000 ##	1.5%	20.4%	8.0%	14.0%
MSCI EAFE @@	14.0%	16.4%	1.5%	10.2%
MSCI Emerging Markets	17.3%	27.4%	1.6%	4.5%
Barclays Aggregate Bond	2.4%	1.6%	2.5%	2.2%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	8.7%	14.5%	6.2%	10.9%
Vanguard LifeStrategy Moderate Growth #	7.0%	11.2%	5.4%	8.8%
Vanguard LifeStrategy Conservative Gr @	5.2%	7.9%	4.6%	6.7%
Vanguard LifeStrategy Income ^	3.6%	4.7%	3.7%	4.5%
DB Commodity Index Tracking Fund !	-7.9%	-0.8%	-17.6%	-10.4

YTD through 5/31/2017. 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)*

While returning to my car the other day after shopping at a Whole Foods in Indianapolis with my 10-year-old son, I was approached by a television news crew, led by a pleasant reporter. She asked if I'd be willing to answer a few questions. Not wanting to disappoint her (or my obviously intrigued pre-teen), I said sure. She proceeded to ask me my opinion on the merger, especially what I thought would happen to price (lower), quality (same) and service (in-person and via drone), at Whole Foods, and how the merger would impact its many competitors among larger-scale grocers (badly). Upon seeing the broadcast clip, once I got past the fact that the television apparently adds 15 pounds to one's frame and 10 years to one's appearance, yet subtracts thousands of hairs from one's head, I thought I acquitted myself well. At least, my wife and kids told me I did, and if a husband and father has the approval of his wife and children, I'd say he's doing pretty well in life.

Though I didn't share these next thoughts with the television viewing audience, two seemingly contradictory insights have been paramount in my mind since the announced merger. On the one hand, we may be in an era in which the stronger companies continue to get stronger, while the weakest lag farther and farther behind. As Amazon has grown so fast both by expanding its older businesses while starting and nourishing new ones, its stock has become so valuable that it can easily purchase other companies to further extend its dominance in retail and even some other areas of the economy. If you are a broad-based retailer not named Amazon, your future seems murky, at best. If you are a grocer not named Whole Foods (and perhaps a couple of others), your outlook is bleak.

Of course, this has ramifications for investing. If I were primarily a picker of individual stocks, I would avoid the equities of department stores like Macys, Target, Kohls and Walmart, and grocers like Kroger and Wal-Mart (again). More broadly, this phenomenon impacts investment style: ‘growth’ versus ‘value.’ If the strong get stronger

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while the weak get weaker, growth stocks should outperform their value brethren, as it becomes increasingly difficult for any down-and-out company to bounce back into stronger competitive position.

On the other hand, companies tend to perform better when they "stick to their own knitting." By all means, companies should look to improve their offerings and service, lower their operating costs, and adapt to new technologies and other developments. However, when companies branch out into areas in which they have little prior experience, bad things tend to happen and a lot of money can end up wasted. In fact, financial history suggests that companies with well-above average levels of cash tend to lack internal investment opportunities and eventually squander their good fortune on poor acquisitions, resulting in below-average appreciation going forward in the stock price.

Will this happen to Amazon.com? At $13.7 billion, the cost of the Whole Foods purchase is minor for a company of Amazon's size, and I would surmise that the acquirer will continue to be a strong performer in the market, even considering its high current valuation (a forward price/earnings ratio of 65.2, according to Morningstar).

However, I would say instead of continuing to focus on the largest growth companies, investors also should consider investing more in mid- and small-cap growth stocks (in our case, funds and ETFs that invest in them). These are the stocks that are going to benefit the most from the ardor of bigger companies with the cash, stock or both to buy them out, often at hefty premiums to the current stock price.

Our accounts continue to perform acceptably, with especially compelling three- and five-year performances versus reasonable benchmarks and some Vanguard 'equivalents' in the fund world. 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,

Chief Investment Officer and Portfolio Manager