AUGUST 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	July 2021	YTD	12 Months	3 Years	5 Years
Growth	**1.3%**	**12.0%**	**31.5%**	**15.7%**	**15.0%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*0.7%*	*13.2%*	*33.5%*	*12.7%*	*12.6%*
Growth & Income	**1.2%**	**10.1%**	**26.3%**	**13.3%**	**12.7%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*0.7%*	*11.3%*	*28.3%*	*12.0%*	*11.4%*
Conservative Balanced	**0.9%**	**8.2%**	**21.0%**	**10.8%**	**10.2%**
Closed-End Income	**-0.2%**	**11.0%**	**24.2%**	**10.2%**	**9.3%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*0.8%*	*9.3%*	*23.2%*	*11.1%*	*10.2%*
Retirement Income	**0.9%**	**6.1%**	**15.5%**	**7.5%**	**7.6%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*0.8%*	*8.0%*	*19.8%*	*10.5%*	*9.3%*
Index					
S&P 500	2.4%	18.0%	36.5%	18.2%	17.4%
Russell 3000 &&	1.7%	17.1%	38.7%	18.1%	17.4%
Russell 2000 ##	-3.6%	13.3%	52.0%	11.5%	14.3%
FTSE Global All Cap X-US@@	-1.3%	8.5%	29.9%	8.7%	10.2%
Barclays Aggregate Bond	1.1%	-0.5%	-0.7%	5.7%	3.1%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	0.7%	10.7%	27.3%	12.6%	12.2%
Vanguard LifeStrategy Moderate Growth #	0.8%	7.8%	19.9%	10.9%	10.0%
Vanguard LifeStrategy Conservative Gr @	1.0%	5.0%	12.8%	9.2%	7.7%
Vanguard LifeStrategy Income ^	1.2%	2.2%	6.0%	7.3%	5.4%

Through 7-31-2021. 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).

Though the S&P 500 rose in July, broad indexes for small caps and international stocks fell. Lest you think this is a one-month phenomenon, these performance disparities generally persisted through the first three weeks of August, as well.

One reason has been a decrease in confidence in the economic recovery from the pandemic, both among U.S. consumers and in Wall Street, as small caps and international equities are more vulnerable than large U.S. stocks to an economic deceleration. In my opinion, the decrease in confidence is justified by two factors: the spread of the Delta variant of COVID-19, and the increasing belief that U.S. inflation will continue to run hot for longer than the Federal Reserve Board projected just weeks ago.

Depending on the particular data point under review, investors can feel relatively sanguine about the potential impact of the Delta variant on the global economy, or scared out of their wits. If they look at the experience of India over the past several months, for example, they can feel pretty good. According to the website www.ourworldindata.org, the number of daily new confirmed cases of the coronavirus in India, where the Delta variant is thought to have originated and only a small percentage of the population is vaccinated, has fallen from a peak of about 414,000 in early May all the way down to about 25,000 as of August 22. Deaths there from COVID have fallen about 90% over the same period, to a recent daily total of less than 400 (in a country of 1.3 billion-plus).

However, in Israel, where about 80% of the adult population is vaccinated with the Pfizer vaccine, confirmed cases of the Delta variant are skyrocketing. New cases exceeded 8,000 a day for several days in mid-August, about two thirds the level the country reached at its peak in January, before so many of its citizens were vaccinated. Though deaths there attributed to COVID are well below levels of January, they certainly have increased markedly in August after being near zero earlier in the summer. And hospitalizations there due to COVID have leaped to nearly 70% of their levels at the peak, so deaths may increase in the days to come. In response, the Israeli government has instituted new lockdowns and mask requirements, while beginning a concerted effort to provide booster shots of the Pfizer vaccine to adults over 60 years of age.

One especially worrisome aspect of the situation in Israel is the obviously declining efficacy of the two-shot regimen of the Pfizer vaccine. Israeli health authorities estimate that efficacy for infection drops over just six to eight months down into the 40% level, though they say the vaccine still prevents most instances of hospitalization and death from the virus. In truth, however, nobody knows if the drop in effectiveness of the vaccine is due to time or to lack of protection against the Delta variant specifically. Likely, it's a combination.

The Israeli experience suggests that rates of infection, hospitalization and death will continue rising in the U.S. as well, especially as

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rates of vaccination in this country are below those of Israel. Weekly new hospital admissions in the U.S. have already reached about 75% of their January 2021 level, with only the slightest sign of a decrease in the rate of increase. Will numerous state governments again institute lockdowns in a new attempt to "stop the spread"? If so, the national economy will slow once again.

Though the Delta variant will likely dampen the U.S. economy regardless of the governmental response, inflation may continue even so. This is because suppliers of many of the major components of consumer goods, including electronics, automobiles and even various food staples, are having to cut production because their countries, many of which are in Asia, are struggling themselves with the Delta variant. Decreased production with still high demand in the U.S. results in more inflation.

In the face of sustained higher prices, the Federal Reserve Board may feel compelled to act in order to decrease high inflation expectations among U.S. consumers, which itself would work to increase prices as consumers buy to beat future expected priced hikes. Talks of tapering bond purchases soon will increase; whispers about actually raising rates earlier than 2023 will grow louder.

None of this would be good for the stock market. With the S&P 500 now up about 20% year-to-date through Aug. 23, it's reasonable to look for more ways to manage risk. One thing I've been doing in accounts is increasing exposure to hedged mutual funds and ETFs. Another is to look at investment areas that have been left behind so far this year, yet may prosper if the Delta variant and potentially future variants of COVID-19 lead to permanent moves toward more distance working, shopping, learning, and socializing. Though certainly not a low-risk investment area, the small-cap-growth style would qualify.

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,

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