OCTOBER 2019 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 and ETF Options 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	Sept 2019	Year-to-date	12 Months	3 Years	5 Years
Growth	**0.7%**	**18.0%**	**0.9%**	**9.9%**	**7.9%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*2.0%*	*14.3%*	*0.8%*	*8.2%*	*6.1%*
Growth & Income	**0.7%**	**17.0%**	**2.6%**	**9.1%**	**7.3%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*1.6%*	*13.6%*	*2.3%*	*7.6%*	*5.7%*
Conservative Balanced	**0.7%**	**15.3%**	**3.6%**	**7.7%**	**6.3%**
Closed-End Income	**1.5%**	**17.7%**	**7.1%**	**7.1%**	**5.7%**
ETF Option Income	**1.3%**	**10.8%**	**4.4%**	**8.1%**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*1.2%*	*12.9%*	*3.7%*	*6.9%*	*5.3%*
Retirement Income	**0.9%**	**14.4%**	**3.7%**	**6.7%**	**5.7%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*0.9%*	*12.4%*	*4.6%*	*6.5%*	*5.1%*
Index					
S&P 500	1.9%	20.6%	4.3%	13.4%	10.9%
Russell 3000 &&	1.8%	20.1%	2.9%	12.8%	10.4%
Russell 2000 ##	2.1%	14.1%	-8.9%	8.2%	8.2%
FTSE Global All Cap X-US@@	2.6%	11.8%	-1.4 %	6.5%	3.5%
Barclays Aggregate Bond	-0.5%	8.5%	10.3%	2.9%	3.4%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	1.6%	15.0%	3.1%	8.8%	6.9%
Vanguard LifeStrategy Moderate Growth #	1.1%	13.5%	5.1%	7.4%	6.2%
Vanguard LifeStrategy Conservative Gr @	0.5%	12.0%	7.0%	6.1%	5.4%
Vanguard LifeStrategy Income ^	0.0%	10.4%	8.9%	4.7%	4.6%

Through September 30, 2019. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Returns over 12 months annualized. Note: *Results are from an actual, representative account established and maintained by the portfolio manager with his own money, managed with his own tax situation in mind. Other accounts in this style might have had different results; &&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).

We lost a little ground in September in some of our core strategies as our moderate tilt toward the 'growth' style of investing held back returns, as 'value' stocks performed much better. In fact, according to the October edition of my long-running investment newsletter, *The No-Load Fund Investor*, the value equity mutual funds and ETFs in its coverage produced an average total return during the month of 3.6%, while the average equity growth product *dropped* 0.2%.

Nevertheless, our core composites of Growth, Growth & Income, Conservative Balanced and Retirement Income remain comfortably ahead of their respective benchmarks for the year (see table). Though I know I am repeating myself from previous editions of these Monthly Updates, it's probably worth repeating that our year-to-date numbers (through September 30) have benefited not only from our style positioning, but also from above-consensus allocations to U.S. stocks versus foreign ones (for a globally diversified investment manager) and—at least for our Growth & Income, Conservative Balanced and Retirement Income composites—definitely non-consensus, substantial positions in closed-end funds.

Speaking of closed-end funds, our Closed-End Income composite was one of our two products (the other being ETF Options Income, 1.3% in September vs. 0.96% for the Lipper Long/Short Equity index) that did beat its benchmark in September, as it produced a total return of 1.5%, vs. 1.2% for a 60/40 equity/fixed-income bogy. Year-to-date, the Closed-End Income composite has produced a total return, assuming our maximum annual management fee (0.96%), of 17.7%, even though fixed-rate bonds and floating-rate loans constitute two of its largest types of underlying investments. In fact, the spread between this composite return and the return of the benchmark is the largest we've produced so far this year: 4.8 percentage points. Of the 17.7 percentage points of return, income has accounted for about 5 percentage points, with the rest capital appreciation.

Many closed-end funds leverage their assets by borrowing at short-term rates and using the money to invest in longer-term, lower-quality assets, such as high-yield taxable, high-yield municipal and floating-rate securities. This helps them produce outsize total returns when the spread is wide between short- and long-term rates. In last year's fourth quarter, when the Federal Reserve Board was increasing the rates under its control and seem-

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ingly hellbent on continuing to do so, most closed-end funds suffered mightily as investors feared distributions would shrink with the shrinking spread between short- and long-term rates.

This year, however, the Fed stopped raising rates and even reversed course a bit, allowing closed-end funds that leverage their assets and invest in higher-yielding assets to thrive. Looking forward, we think closed-end income funds can continue to perform well so long as the Fed cuts or even just maintains current rates and the U.S. economy avoids recession. While government regulations and simple common sense prohibit us from making any promises about performance, we think the odds for a continued benevolent environment for closed-end income funds are good for the next six to 12 months, at least. Unless the economy and inflation roar, we doubt the powers that be at the Fed would want to insert themselves into the political arena by raising rates during an election year.

The current environment also looks benevolent for equities, at least as compared with this time last year. A year ago, we had a tightening Fed and decelerating growth in corporate earnings—historically a difficult investment environment—and the market suffered a double-digit drop within a few months. This year, we have a much friendlier posture from the Fed, while earnings, though perhaps not growing, have recently been more favorable than expected for a large percentage of reporting companies. Meanwhile, the trade environment, especially vis a vis China, has a more favorable feel than it did in the summer months, and the equity market itself has experienced a broadening of gains that suggests a more benign investing picture.

Therefore, we are generally maintaining our equity exposures.

For more information or 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,

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