

NOVEMBER 2020 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	Oct. 2020	YTD	12 Months	3 Years	5 Years
Growth	-1.7%	6.7%	13.8%	9.2%	10.1%
<i>Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)</i>	<i>-1.8%</i>	<i>-0.8%</i>	<i>4.3%</i>	<i>4.2%</i>	<i>7.1%</i>
Growth & Income	-1.3%	4.2%	10.1%	7.9%	8.8%
<i>Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)</i>	<i>-1.5%</i>	<i>0.6%</i>	<i>5.1%</i>	<i>4.5%</i>	<i>6.9%</i>
Conservative Balanced	-1.1%	1.7%	6.4%	6.2%	7.2%
Closed-End Income	-1.2%	-6.0%	-1.6%	3.1%	6.9%
<i>Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)</i>	<i>-1.3%</i>	<i>1.9%</i>	<i>5.7%</i>	<i>4.9%</i>	<i>6.6%</i>
Retirement Income	-0.9%	-2.3%	1.9%	4.1%	5.8%
<i>Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)</i>	<i>-1.2%</i>	<i>2.7%</i>	<i>5.9%</i>	<i>5.0%</i>	<i>6.4%</i>
Index					
S&P 500	-2.7%	2.8%	9.7%	10.4%	11.7%
Russell 3000 &&	-2.2%	2.7%	9.6%	9.4%	10.9%
Russell 2000 ##	2.1%	-6.7%	-0.1%	2.2%	7.3%
FTSE Global All Cap X-US@@	-2.2%	-6.9%	-1.8%	0.2%	4.8%
Barclays Aggregate Bond	-0.5%	6.3%	6.2%	5.1%	4.1%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	-1.8%	0.8%	5.7%	5.9%	7.9%
Vanguard LifeStrategy Moderate Growth #	-1.4%	2.3%	5.9%	5.9%	7.1%
Vanguard LifeStrategy Conservative Gr @	-1.1%	3.6%	5.9%	5.7%	6.2%
Vanguard LifeStrategy Income ^	-0.7%	4.6%	5.6%	5.4%	5.2%

Through 10-31-2020. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Returns over 12 months annualized. Notes: && 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 of a guarantee of future results (continued on back).

The stock market experienced a rough October, especially late in the month, and ended up 2.8% year to date. Small stocks, on the other hand, managed gains (broadly speaking) during the month but are still down considerably year to date. Despite a tough month, the NASDAQ composite remains the standout for the year, up a whopping 36.5% as I write this on Nov. 13.

You might have heard that the country had an election. As the election moved toward its final day, I bit my fingernails down to the quick with nervousness over what the potential results might say about the country's future ideological path. I'm relieved to say that now that the counting is almost done, I find myself quite sanguine over the apparent results, at least from my perspective as an investment analyst.

Specifically, I view the diminishment of the Democratic Majority in the House plus the likely counterbalance of a narrow Republican Senate majority as the most important potential results of this election. They hold the potential to inhibit what I consider to be some of the worst features of Vice President Biden's platform: huge increases in the maximum tax rate on capital gains; the levying of payroll taxes on income over \$400,000; and the elimination of the step-up features for cost basis of investments within estates. Meanwhile, they leave the likely president to emphasize what he can do without congressional approval. At the forefront of this would be increased trade liberalization and international

cooperation, which could help the stock market here and abroad.

A Biden administration also holds the promise of a less hostile posture by Washington toward some of America's leading New Economy companies, currently under increased regulatory threat due somewhat to perceived bias against President Trump and political conservatives.

The stock market seems to agree with me. In the morning after the election, the growth stock style of the U.S. market exploded, as it is full of such companies and others that generate high percentages of their sales and profits abroad. Meanwhile, the small-cap value style, full of companies for which the U.S. itself is the main source of sales and profits, was down 0.3%.

With the election basically over, the biggest issue for the market for the near-term is COVID-19. There's no disputing that the numbers of cases here and in much of Europe have increased to alarming levels. In the U.K, France, Germany and other European nations, the response to increased cases and hospitalizations (and even deaths, though the percentage fatalities have fallen dramatically) has been to shut down various parts of the country. Here in the U.S., state-level response to increased caseloads has been more muted recently, but it wouldn't surprise me at all if now, with the election over, mayors and governors order fairly extensive shut downs.

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Antibody therapies against COVID-19 appear to work for patients early in the course of the disease, as the data strongly suggest significantly decreased rates of hospitalization for those receiving the antibodies, as compared with placebo. However, at least one of these treatments has apparently failed to show any benefit for patients already hospitalized with COVID-19, dramatically limiting the potential helpfulness of this class of medications. Therefore, while various practices and medications, especially certain steroids, do apparently decrease rates of death from COVID-19, it's really the vaccines currently in trials that hold the key to managing the impact of the virus on public health and economies here and abroad.

The news has become inspiring recently on vaccines against COVID-19. After multiple trials were paused due to safety concerns, Pfizer and its German development partner announced a few days after the election that its entrant was 90% effective in stopping transmission; a high percentage for a vaccine. The

safety profile was also very positive. This is all excellent news, even if wide dissemination of the vaccine might not happen until early 2021, assuming FDA approval. Meanwhile, Moderna, which uses a similar approach to Pfizer's, seems close to announcing the results of its own vaccine, while others using a different therapeutic approach should follow soon. These include a vaccine entrant from Johnson & Johnson, which has the advantages of a one-shot regimen (as opposed to two) and normal refrigeration, as opposed to much colder storage.

As far as the stock market goes, it's likely to look ahead toward when investors expect the vaccines to be widely distributed. That means it likely won't plunge for the next month or two even if lockdowns stifle economic activity. Of course, there are never any guarantees when it comes to stocks, so I'm keeping a little power dry in many accounts, depending on the client, in case equities cheapen and better purchase opportunities present themselves over the next few weeks.



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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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