

NOVEMBER 2023 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 2023	YTD	1 Year	3 Years	5 Years	10 Years	Inception
Growth - Inception 2/1/2010	-3.02	3.26	3.97	2.90	6.81	7.19	9.15
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	-3.07	4.02	7.96	5.43	6.21	5.92	7.64
Growth & Income - Inception 9/1/2009	-2.61	3.30	4.14	2.24	5.67	6.21	8.32
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	-2.77	3.28	7.10	4.10	5.59	5.38	7.05
Conservative Balanced - Inception 10/1/2009	-2.12	2.57	3.69	1.55	4.40	4.99	6.19
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	-2.48	2.68	6.40	2.78	4.93	4.80	6.17
Closed-End Income - Inception 10/1/2014	-4.10	-1.93	0.83	0.98	3.04	--	3.39
First Trust Closed-End Fund Composite Total Return*	-3.92	-3.00	-0.67	0.74	2.19	--	2.76
Retirement Income - Inception 11/1/2010	-2.07	1.81	3.28	0.53	2.70	3.74	4.71
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	-2.29	2.20	5.81	1.86	4.42	4.38	5.32
Index							
S&P 500	-2.10	10.69	10.14	10.36	11.01	11.18	-
Russell 3000	-2.65	9.41	8.38	9.19	10.23	10.52	-
Russell 2000	-6.82	-4.45	-8.56	3.95	3.31	5.63	-
FTSE Global All Cap X-US	-4.30	1.24	12.30	3.69	4.07	3.19	-
Barclays Aggregate Bond	-1.58	-2.77	0.36	-5.57	-0.06	0.88	-
Mutual Fund/ETF Comparisons							
Vanguard LifeStrategy Growth &	-2.61	4.62	8.03	4.34	6.18	6.37	-
Vanguard LifeStrategy Moderate Growth #	-2.23	3.21	6.26	1.97	4.72	5.14	-
Vanguard LifeStrategy Conservative Gr @	-1.85	1.81	4.43	-0.39	3.22	3.85	-
Vanguard LifeStrategy Income ^	-1.54	0.27	2.52	-2.82	1.58	2.46	-

Through 10-31-2023. Returns over 12 months annualized. Performance data quoted represents past performance. Past performance does not guarantee future results and there is a risk of loss of all or part of your investment. Salzinger Sheaff Brock, LLC (“SSB”), is a federally registered investment adviser founded in 2009. Performance presented are time-weighted returns. Valuations and performance is reported in U.S. dollars. Composite performance is presented on a net-of-fees basis and includes the reinvestment of income (dividends/interest). Net-of-fees returns are calculated by deducting a model management fee of 0.24%, ¼ of the highest annual management fee of 0.96%, from the quarterly gross composite return, applied the first month of each quarter. Actual advisory fees incurred by clients may vary. Composite performance consists of fully discretionary portfolios, including those accounts no longer with the firm. (continued on back).

The U.S. equity market followed its tough September with another down month in October. While the S&P 500 fell 2.1%, the small-stock Russell 2000 index fared much worse, dropping 6.8%, ending the month with a year-to-date loss of nearly 4.5%. Meanwhile, broad indexes of foreign stocks also fell in October. Case in point, the FTSE Global All Cap x US Total Return index dropped 4.3%, though still managing a slight gain (1.2%) year-to-date (again, just through October).

The bond market also fell in October. The Bloomberg U.S. Aggregate Index dropped 1.6%, resulting in a year-to-date loss of 2.8%.

Composites of core SSB accounts fell a bit less than their benchmarks in October. They were helped mainly by their positions in money-market funds, which compensated for their exposure to international stocks and especially small caps.

However, what a difference a few weeks can make! Since late October, the markets have experienced a strong upward move. The U.S. market, for example, had even approached its late July high by the last week in November, with broad participation from most types of stocks (small, mid and large, U.S. and foreign) and sectors, though markedly not energy, which

continues to struggle in 2023 after two phenomenal years.

Certainly, a plus since late October has been evidence that inflation is declining. Instead of rising in October, the Producer Price Index (PPI), which purports to measure inflation at the wholesale level, fell 0.5% overall and a whopping 1.4% for goods for the month; for the past 12 months, the PPI notched a 1.3% increase, which is modest. Meanwhile, the Consumer Price Index for All Urban Consumers was unchanged month over month in October; while prices of such services as rent, motor vehicle insurance, medical care, recreation and personal care increased, prices fell for most types of goods, including used cars and energy. For the past 12 months, the CPI is up 3.2%, which is well above the inflation target of the Federal Reserve Board (about 2%), but trending in the right direction (down).

Meanwhile, earnings for S&P 500 companies have been coming in a bit better than expected. Additionally, and auspiciously, fewer company executives on their earnings calls with Wall Street are discussing “recession” or “inflation” as significant concerns, according to FactSet Research Systems, a leading provider of market data to financial institutions and institutional investors.

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In response to declining inflation markers, Wall Street has downgraded the chance of additional rate boosts by the Fed, while the bond market has rallied. In fact, the rate of the 10-year Treasury has fallen to 4.42% as of November 27, down nearly half a percentage point in a month. Meanwhile, if rates are falling while earnings are holding up, the chance of a so-called soft landing increases, which would be best for the bulk of the stock market.

We can understand if some of you are losing patience with our own patience with smaller stocks, which have been underperforming dramatically for most of the past decade, not just in 2023. While we always reserve the right to change our minds, we want to maintain exposures to them. Though differences in valuations between smaller and larger companies may not be a good near-term indicator, over several years we believe it can make a difference. As of Oct. 31, for

example, the trailing price/earnings ratio (P/E) of the S&P Completion Index, which includes the part of the U.S. stock market not included in the S&P 500, was 13.1, versus more than 20 for the S&P 500. In other words, the small caps are a lot cheaper than the large stocks.

Admittedly, because they have less financial strength and, sometimes, more debt at higher rates, smaller companies are more vulnerable than S&P 500 companies to high interest rates as well as economic recession. However, their generally strong performance since late October hints that better times could be around the corner for them, if the Fed starts cutting rates sometime next year and their low valuations attract investors interested in bargains.

To get more information on our strategies, please see the contact information below. Thank you!



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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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Indexes: Lipper Global Multi-Cap Core Index is comprised of the 30 largest funds by asset size investing in a variety of market cap equities without concentrating 75% of their assets in any one market cap over an extended time. 25% to 75% of their assets are in companies both inside and outside of the U.S. Lipper General Bond Index consists of the 30 largest funds by assets that do not have any quality or maturity restrictions, and keep a bulk of their assets in corporate and government debt issues. First Trust Composite Closed-End Fund Index is a capitalization weighted index designed to provide a broad representation of the US municipal, fixed income and equity closed-end fund universe. S&P 500 Index is a market capitalization-weighted index comprised of the 500 stocks with the largest market capitalizations trading in the United States. Russell 2000 Index measures the performance of the small-cap segment of the US equity universe. Russell 3000 Index measures the performance of the largest 3,000 US companies. Bloomberg US Aggregate Index is broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market in the United States, including Treasuries, government-related and corporate securities, mortgage backed securities, asset-backed securities and CMBS (agency and non-agency). FTSE Global All Cap X-US is an equity index which captures most of the world's stocks ex-US. Indexes are unmanaged and unavailable for direct investment. Style Comparisons: & A comparison for SSB Growth and SSB Growth & Income. # A slightly lower risk comparison for SSB Growth & Income. @ A comparison for SSB Conservative Balanced. *A comparison for SSB Retirement Income. An index should only be compared with a mandate that has a similar investment objective. *Effective 10/31/22 the SSB Closed-End Income Composite changed the benchmark from 25% Lipper Global Multi-Cap Core Index/75% Lipper General Bond Index to the First Trust Composite Closed-End Fund Index.