DECEMBER 2018 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	YTD 2018	1 Yr	Three Yrs	Five Yrs
Growth	**0.6%**	**1.6%**	**8.8%**	**7.5%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*-3.5%*	*-2.2%*	*7.4%*	*5.5%*
Growth & Income	**0.6%**	**1.6%**	**7.9%**	**6.7%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*-3.1%*	*-2.0%*	*6.7%*	*5.1%*
Conservative Balanced	**0.1%**	**1.0%**	**6.7%**	**5.6%**
Closed-End Income	**-2.3%**	**-0.8%**	**8.6%**	**N/A**
ETF Option Income	**2.5%**	**3.9%**	**N/A**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-2.8%*	*-1.8%*	*6.0%*	*4.7%*
Retirement Income	**-0.6%**	**0.4%**	**6.0%**	**4.9%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*-2.6%*	*-1.7%*	*5.5%*	*4.3%*
Index				
S&P 500	5.1%	6.3%	12.2%	11.1%
Russell 3000 &&	4.5%	5.5%	11.8%	10.6%
Russell 2000 ##	1.0%	0.6%	10.1%	7.5%
FTSE Global All Cap X-US@@	-10.3%	-8.1%	5.8%	2.5%
Barclays Aggregate Bond	-1.8%	-1.3%	1.3%	2.0%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	-1.3%	-0.1%	7.8%	6.5%
Vanguard LifeStrategy Moderate Growth #	-1.1%	-0.1%	6.3%	5.6%
Vanguard LifeStrategy Conservative Gr @	-1.0%	-0.2%	4.8%	4.6%
Vanguard LifeStrategy Income ^	-0.9%	-0.4%	3.2%	3.5%

Through November 31, 2018. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. 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. The securities mentioned in this report can be, and often are, owned by clients and employees of SSB. Past performance is not indicative or a guarantee of future results (continued on back).

We all know it has been a very tough market since early October. Though broad measures of the U.S. stock market are down in the low double digits since then, many stocks and even sectors are down much more from their highs. This has meant that the market as well as most mutual funds and ETFs are down substantially for the year.

Pessimism about the stock market is extreme. The latest survey by the American Association of Individual Investors has almost half of respondents bearish, which is the most pessimistic reading in this survey in more than five years. Only about 21% of survey respondents were bullish. Outflows from equity mutual funds have been very strong, supposedly $46 billion in a recent week (in early/mid-December), the most ever.

Pessimism about the economy is also growing. While individual consumers remain confident generally, the latest Consumer Sentiment survey by the University of Michigan showed increasing fear about potential job losses, or, at least, more respondents saying they had heard job prospects would be worsening. But the media, as well as some economic and market experts, are expressing some gloomy viewpoints looking out to next year.

They point to a determination by the Federal Reserve Board to increase interest rates under its control and decrease liquidity generally; slowing economic activity overseas; the big political fights in Washington, with seemingly endless, multifaceted investigations of the Trump administration; and the "Cold War" with China, especially as it relates to tariffs and trade.

I think investors as well as sentiment on the economy are gloomier than they should be, at least about near-term prospects. Some interest-rate sensitive sectors, including housing, are clearly showing effects of decreasing affordability, due to higher mortgage rates. However, overall, the U.S. economy is strong. In fact, recent consumer spending suggests GDP growth in the fourth quarter of 3% year over year, apparently. Regarding China, I think they have more to lose than we, and will therefore blink enough eventually for President Trump to relent, even if reluctantly. It's worth remembering that in the context of our entire economy, exports to China are tiny: less than $130 billion in 2017. Imports from China approximate $500 billion-plus, so the Chinese have huge reasons to compromise. Now, the prospect of 25% tariffs on all Chinese imports wouldn't just hurt China. It would be generally disruptive for the U.S. American companies would have to look for alternative suppliers from other countries, and inflationary pressures would increase slightly. So, maybe it would decrease growth in the U.S. economy more than a simple reading of the trade deficit and our exports would suggest. But it wouldn't take 2.5% economic growth, for example, down to an economic recession. It might take it down to 2%. I've heard of deeper

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impact than that, but I think American companies are quite agile and so could adapt to the new reality.

Regarding the stock market, the increase in corporate earnings so far this year along with the down market has decreased valuations quite a bit. The market is basically 20% to 25% cheaper now relative to profits than it was a year ago. Some stocks with good earnings have really been creamed lately. Interest rates are still low.

Though I am worried about the long term in some respects, I feel like now is not a time to run for the exits. I think investors with some courage to stay the course will be rewarded. Of course, there are no guarantees when it comes to the stock market.

Within the accounts, I am probably not going to make many changes in those that are tax advantaged. However, within taxable accounts, I am likely to take some losses by the end of the year for clients I believe would benefit from my doing so.

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,

Mark Salzinger
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