FEBRUARY 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), 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	Jan 2020	12 Months	3 Years	5 Years
Growth	**-0.4%**	**17.7%**	**11.4%**	**9.2%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*-1.4%*	*12.7%*	*8.9%*	*7.5%*
Growth & Income	**-0.3%**	**16.4%**	**10.4%**	**8.4%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*-0.9%*	*12.4%*	*8.4%*	*6.9%*
Conservative Balanced	**-0.1%**	**14.6%**	**9.0%**	**7.2%**
Closed-End Income	**-0.1%**	**15.2%**	**8.9%**	**8.0%**
ETF Option Income	**-3.1%**	**8.1%**	**8.1%**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-0.3%*	*12.1%*	*7.8%*	*6.3%*
Retirement Income	**-0.2%**	**13.4%**	**7.7%**	**6.5%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*0.1%*	*11.9%*	*7.5%*	*5.8%*
Index				
S&P 500	0.0%	21.7%	14.5%	12.4%
Russell 3000 &&	-0.1%	20.5%	13.8%	11.9%
Russell 2000 ##	-3.2%	9.2%	7.3%	8.2%
FTSE Global All Cap X-US@@	-2.8%	10.5%	7.9%	5.6%
Barclays Aggregate Bond	1.9%	9.7%	4.6%	3.0%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	-0.7%	14.6%	9.9%	8.0%
Vanguard LifeStrategy Moderate Growth #	0.0%	13.4%	8.7%	6.9%
Vanguard LifeStrategy Conservative Gr @	0.7%	12.2%	7.5%	5.7%
Vanguard LifeStrategy Income ^	1.4%	10.9%	6.2%	4.4%

Through 1/31/20. 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).

Forgive me for the relatively late publication of this letter. With the state of the financial markets as it is, I've been waiting for the stock market to reflect the increase in uncertainty regarding the political environment on the one hand and the coronavirus on the other.

Through the first three weeks of February, the stock market ignored the increased uncertainty. It was only at the beginning of the fourth week, with reports of dramatically higher numbers of cases of the coronavirus outside China, that the stock market trembled.

This decline is overdue. I'm no virologist, but it seems to me that the rate of infection for the coronavirus is quite rapid. Of course, it is being exceeded by the growth in fear of contracting the virus, which must be wreaking havoc with supply chains including China as it also dampens consumer spending throughout Asia.

So far, consumer sentiment in the U.S. appears unaffected. In fact, optimism is on the high side. That's likely thanks to the relatively insulated state of the U.S. economy, which relies much more than many other nations on domestic consumer demand rather than on sales overseas, including to China. So, while one might expect directly impacted industries such as air travel and cruise lines to suffer as people reduce their Asian travel plans, both Wall Street and "Main Street" may believe the rest of our economy is relatively immune.

They're probably right. However, that doesn't mean the virus should be taken lightly here from an economic or investment point of view. I have little doubt that our economy will grow more slowly this year than it otherwise would have, and that this in turn will result in slower earnings growth than Wall Street has projected recently. Meanwhile, as valuations are relatively high within the U.S. market (at least for the quality, growing companies people should want to own), prices have room to drop once Wall Street ratchets down its expectations for corporate profits.

Meanwhile, the presidential primary campaign is not going well for those of us who favor economic freedom and wealth creation. With the relatively moderate part of the Democratic Party electorate split among several candidates, the most "progressive" candidate, Senator Sanders, has managed to win the popular vote in the first three contests, with the latest as of this writing (Nevada) a romp. It's looking to me that unless the relative moderates clear their part of the field soon for former New York mayor Bloomberg, Senator Sanders is a shoo-in for the nomination. (None of the other relative moderates have the financial wherewithal to compete.)

Though the conventional wisdom may hold that President Trump would beat Senator Sanders in November, we can't be sure of this and neither can the investment markets. I believe the stock market would prefer any other candidate over Sanders as president. Therefore, as the likelihood increases that Senator Sanders will become

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the presidential nominee of the Democratic Party, the market should adjust downward.

Of course, we aren't investing for the next month or two, or even 10. It's possible that the coronavirus will weaken as the weather warms, for example, and that the economic losses of the current season will quickly be forgotten as consumers in Asia satisfy pent-up demand. It's also possible that Mike Bloomberg's millions (or maybe even billions, if he decides to spend that much) will overcome leftwing enthusiasm for Senator Sanders, meaning a more moderate person becomes the Democratic nominee.

So, though I am concerned about the near-term prospects of the stock market, I continue to believe stocks are likely to perform better than bonds over the next decade or so, especially with the yield of the 10-year Treasury down to about 1.37% as I write this. After all, the dividend yield of the S&P 500 now exceeds the yield of the 10-year Treasury, and even the yield of the 30-year Treasury bond. Some companies will continue to grow, even if Senator Sanders becomes the president.

In many accounts, I have slightly decreased equity allocations over the past month or two and/or trimmed exposures to credit-sensitive debt. Within equity portions specifically, I have looked to decrease funds that invest in economically sensitive stocks as opposed to growth stocks. So, that means I have modestly trimmed exposure to the 'value' investing style and/or foreign markets, while generally maintaining exposure to companies that can continue to perform even if the economy disappoints. With the proceeds, I have mainly allowed money market positions to rise and/or established positions in high-quality fixed income, either TIPS, mortgage-backed securities, or in municipal-bond investments.

I am attempting to manage short-term risk while maintaining the ability for the accounts to grow over the long haul. Perhaps, if the market drops further but the investment horizon looks clearer in six to 12 months, I will increase equity exposures.

For more information on any of our strategies, please call us at 866-575-5700 or email info@salzingersheaffbrock.com. We look forward to hearing from you!

SALZINGER SHEAFF LLC BROCK

8801 River Crossing Blvd.
Suite 100
Indianapolis, Indiana 46240

salzingersheaffbrock.com
866-575-5700

Thank you for your continued interest in Salzinger Sheaff Brock (SSB), the only source of actual personalized money management by me,

Mark Salzinger

Mark Salzinger
Chief Investment Officer and Portfolio Manager