MARCH 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	Feb. 2019	Year-to-date	12 Months	3 Years	5 Years
Growth	**3.7%**	**12.6%**	**2.2%**	**13.0%**	**7.2%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*2.2%*	*10.0%*	*-0.9%*	*11.1%*	*5.5%*
Growth & Income	**3.3%**	**10.9%**	**2.5%**	**11.4%**	**6.5%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*1.9%*	*8.8%*	*-0.2%*	*10.0%*	*5.1%*
Conservative Balanced	**2.9%**	**9.5%**	**2.7%**	**9.4%**	**5.6%**
Closed-End Income	**2.3%**	**10.5%**	**3.6%**	**11.2%**	**N/A**
ETF Option Income	**1.5%**	**8.4%**	**5.6%**	**N/A**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*1.6%*	*7.5%*	*0.4%*	*8.8%*	*4.6%*
Retirement Income	**2.7%**	**8.7%**	**2.1%**	**8.2%**	**5.0%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*1.4%*	*6.7%*	*0.8%*	*8.1%*	*4.3%*
Index					
S&P 500	3.2%	11.5%	4.7%	15.3%	10.7%
Russell 3000 &&	3.5%	12.3%	4.5%	14.9%	9.5%
Russell 2000 ##	5.2%	17.0%	5.6%	16.7%	7.4%
FTSE Global All Cap X-US@@	2.0%	9.6%	-6.7%	11.0%	3.1%
Barclays Aggregate Bond	0.1%	1.0%	3.2%	1.7%	2.3%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	2.2%	9.1%	1.1%	11.3%	6.5%
Vanguard LifeStrategy Moderate Growth #	1.7%	7.1%	1.8%	9.0%	5.6%
Vanguard LifeStrategy Conservative Gr @	1.1%	5.0%	2.3%	6.6%	4.7%
Vanguard LifeStrategy Income ^	0.5%	3.0%	2.9%	4.3%	3.7%

Through February 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).

Our performance table includes a lot of useful information, including how we've done (of course) as well as the performance of various performance benchmarks and indexes. Perhaps the most gratifying data we can glean from the table this month is that in virtually every category and every standard time period ended Feb. 28, 2019 (with one tiny, short-term exception), our results have beaten those of the appropriate benchmark.

Though the year is young and things certainly can change, we have been helped so far this year by small- and mid-cap exposure and a modest bias toward the 'growth' style of investing. Meanwhile, especially in our income-oriented accounts, we have been helped by our positions in closed-end income-oriented funds, which have rebounded robustly from a pummeling endured late last year.

Nevertheless, the most interesting aspect to me of the data in the table is not our performance, but, rather, the poor annualized performance over the past five years by international equity markets, as evidenced by the paltry 3.1% five-year annualized gain during the period of the FTSE Global All Cap X-US Index. This index, which devotes about 41% to European stocks, 22% to emerging markets, 18% to Japan, 12% to other developed Asian countries and 6% to Canada, has underperformed the Russell 3000 Index (a good benchmark for the broad U.S. market, as it includes large-cap, mid-cap and small-cap stocks) by more than six percentage points. In other words, this reveals that the U.S. equity market has more than tripled the return of international equities over the past five years.

To some people, this would suggest that now is the time to invest more in international stocks, which must, they say, be cheaper than U.S. equities, at least relative to five years ago. These folks believe the underperformance from international equities is cyclical and will reverse, thanks to more attractive valuations and shifting economic fortunes.

I have a different view. I believe that for developed markets at least, the underperformance will continue. I believe it to be a 'secular' trend, not a cyclical one. The main reasons pertain to economic growth and demographics, which are, of course, related. Simply put, the declining rate of growth in economic productivity of Western Europe and Japan, combined with aging populations in both, suggest precious little long-term economic growth. Instead, the emphasis will be on distributing the wealth already created, rather than on creating new wealth. In such an environment, growth in corporate profits will be hard to come by except for by truly innovative, niche companies. As a result, though stock prices in major developed mar-

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kets outside the U.S. can have good years now and then, I don't think they'll go up much over the long run. I expect the U.S., with more growth, better demographics and generally more dynamism, to produce better stock-market returns over the next five to 10 years, despite seemingly higher valuations today.

Therefore, most of the international stock funds in which I invest for clients attempt to find the best small- and mid-cap growth stocks overseas, especially operating in markets that have some growth, such as China and India. Also, the 'global' funds in which I invest (U.S. and foreign stocks within one fund) focus on finding the best growth companies in the world, wherever they are domiciled and whatever their size. Unless a company sells mainly into developed Europe and Japan, wherever it's located may not matter too much, so long as it's growing strongly in an important, profitable industry.

Even though stocks obviously are not as attractively priced now as at the beginning of the year, current entry points are still attractive. Note that even though corporate earnings have increased at double digit rates over the past 12 months, the U.S. equity market is up less 5%.

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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