MARCH 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	Feb 2020	YTD	12 Months	3 Years	5 Years
Growth	**-6.9%**	**-7.3%**	**5.7%**	**7.7%**	**6.5%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*-6.6%*	*-7.9%*	*2.9%*	*5.6%*	*5.0%*
Growth & Income	**-6.0%**	**-6.3%**	**5.9%**	**7.2%**	**6.2%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*-5.4%*	*-6.2%*	*4.3%*	*5.7%*	*4.9%*
Conservative Balanced	**-5.1%**	**-5.2%**	**5.8%**	**6.3%**	**5.4%**
Closed-End Income	**-6.4%**	**-6.5%**	**5.4%**	**5.7%**	**6.0%**
ETF Option Income	**-4.6%**	**-7.6%**	**1.6**	**5.3%**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-4.2%*	*-4.5%*	*5.7%*	*5.7%*	*4.7%*
Retirement Income	**-4.6%**	**-4.8%**	**5.4%**	**5.3%**	**4.9%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*-3.4%*	*-3.4%*	*6.5%*	*5.6%*	*4.5%*
Index					
S&P 500	-8.2%	-8.3%	8.2%	9.9%	9.2%
Russell 3000 &&	-8.2%	-8.3%	6.9%	9.3%	8.7%
Russell 2000 ##	-8.4%	-11.4%	-4.9%	3.5%	5.1%
FTSE Global All Cap X-US@@	-8.0%	-10.6%	-0.3%	4.3%	2.7%
Barclays Aggregate Bond	1.8%	3.8%	11.7%	5.0%	3.6%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	-5.8%	-6.4%	5.6%	6.9%	5.8%
Vanguard LifeStrategy Moderate Growth #	-4.0%	-4.0%	7.1%	6.6%	5.4%
Vanguard LifeStrategy Conservative Gr @	-2.2%	-1.5%	8.5%	6.1%	4.9%
Vanguard LifeStrategy Income ^	-0.4%	1.0%	9.9%	5.6%	4.3%

Through 2/29/20. 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).

Of course, the performance numbers as of the end of February mean nothing now. From the close of trading on March 4th, the S&P 500 fell more than 28% through March 23rd. For its speed and degree, it was a bloodbath unseen since the Crash in 1987, when I was a senior at The University of Chicago.

So, in one sense what we are currently experiencing is a new, horrible ordeal, as the country faces a health challenge worse than any in perhaps a century, since the so-called Spanish Flu more than a century ago. On the other hand, we have experienced huge and swift downturns before in the market.

I remember well when I first learned of the Crash of 1987. Having just begun my last undergraduate year as a future graduate with a degree in economics, I was looking forward to interviewing with various investment firms about the analyst jobs I was hoping to procure. As I walked through Ida Noyes Hall on 59th Street, I glanced up at a TV screen that was blaring the news of the crash. I knew right away that the easy, lucrative future I had hoped to procure was then seriously in doubt, for the Dow Jones Industrial Average (then the major index of the time) was by then well on its way to a 22.6% drubbing in a single day (Oct. 19, 1987).

On September 11, 2001, I was in McLean, Va., running the investment research/editorial division of the late Louis Rukeyser's financial publishing enterprise when the attacks in New York City and the Pentagon occurred, the latter being just a few miles from my desk. Stock markets were closed for about a week and within 10 days the Dow had fallen almost 20%.

And then, of course, there was the Global Financial Crisis in 2007-09, during which time the broad U.S. market was cut in half, with some other markets and many kinds of stocks down even more. By this time, I was running my own financial publishing operation, responsible for model portfolios followed to some extent by thousands of readers. Though I had been increasingly cautious in my commentaries leading up to the financial crisis, I certainly did not foresee anywhere near the degree of carnage experienced by the market. Of course, hindsight is 2020.

Having not advised exiting the stock market as 2007 progressed and then into 2008, the pressure to do so was immense as the bear market continued. Thankfully, I never did. Eventually, the market recovered, and by late 2010 or so, most investors who had held on to a balanced portfolio had recovered virtually all of their losses, and then were well ahead within a few years. Despite bumps and bruises after the '87 Crash and the 9/11 attack, investors who held on after those events also were rewarded handsomely over time (especially if they held on to enjoy the market's long upward move from 2009 through the end of last year).

I suspect something similar will happen this time. The COVID-19 disease is extremely serious, with easy communicability and relatively high rates of death, especially of elderly people with other health problems. Because social distancing is essential to slowing the speed of its progression, the economy will take a tremendous hit.

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The actual duration of the economic hit could be relatively short, however, for several reasons. One, the social distancing could work very well. Two, testing for the coronavirus is becoming widespread; such companies as Roche and Quest Diagnostics have ramped up manufacturing to the tune of hundreds of thousands of tests per month, or even millions (in the case of Roche). Increased testing will allow society to isolate the infected and their contacts but to allow the rest of society to get on with their economic lives, more or less. Meanwhile, while a vaccine might be 12 to 18 months away (due to all of the testing and trials required to assure safety and efficacy), other treatments will likely arrive sooner, maybe even by summer: serum treatments of antibodies from recovered patients, antivirals, and autoimmune modulators to decrease inflammation in the lungs caused by an overpowering immune response late in the disease process, to name three types of possibilities. There's also a chance that the higher temperatures and humidity in the summer months will decrease rates of transmission considerably; so far, the disease has been most prominent in areas of moderate temperature and humidity.

So, instead of selling down equity portions within most accounts, I have instead taken some losses in equity positions where available and useful (i.e., taxable accounts for people in higher tax rates) and reinvested the proceeds in funds and ETFs that invest in higher-quality stocks with below-average economic sensitivity. I also have been increasing the credit quality within fixed-income allocations, although I have been resistant to sell investments that have dropped to levels suggestive of extreme panic among individual investors, such as select closed-end funds.

Remember, we aren't investing for the next month or two, or even 10. Depending on the client, I am investing their money with their investment time horizon in mind. If that's still 10 years, for example, then high allocations to equities may make more sense now, with prices so much lower, than they did just a few months ago.

Of course, for elderly, very conservative clients, I am constantly attempting to manage risk and preserve capital, even while maintaining the ability of their portfolios to benefit from an eventual rebound.

For more information, 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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