APRIL 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	March 2019	Year-to-date	12 Months	3 Years	5 Years
Growth	**1.1%**	**13.9%**	**4.7%**	**11.1%**	**7.5%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*0.8%*	*10.8%*	*1.1%*	*9.2%*	*5.6%*
Growth & Income	**1.1%**	**12.2%**	**4.8%**	**9.8%**	**6.8%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*0.9%*	*9.7%*	*1.7%*	*8.4%*	*5.3%*
Conservative Balanced	**1.1%**	**10.7%**	**4.8%**	**8.2%**	**5.8%**
Closed-End Income	**1.5%**	**12.2%**	**6.0%**	**9.3%**	**N/A**
ETF Option Income	**0.7%**	**9.2%**	**4.8%**	**N/A**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*1.1%*	*8.7%*	*2.2%*	*7.5%*	*4.9%*
Retirement Income	**0.8%**	**9.6%**	**3.8%**	**7.0%**	**5.1%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*1.2%*	*7.9%*	*2.5%*	*6.9%*	*4.6%*
Index					
S&P 500	1.9%	13.6%	9.5%	13.5%	10.9%
Russell 3000 &&	1.5%	14.0%	8.8%	13.5%	10.4%
Russell 2000 ##	-2.1%	14.6%	2.1%	12.9%	7.1%
FTSE Global All Cap X-US@@	0.6%	10.3%	-4.5%	8.3%	3.1%
Barclays Aggregate Bond	1.9%	2.9%	4.5%	2.0%	2.7%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	1.3%	10.6%	3.5%	9.5%	6.7%
Vanguard LifeStrategy Moderate Growth #	1.5%	8.6%	3.9%	7.8%	5.9%
Vanguard LifeStrategy Conservative Gr @	1.7%	6.8%	4.3%	6.0%	5.0%
Vanguard LifeStrategy Income ^	1.9%	4.9%	4.6%	4.2%	4.0%

Through March 31, 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).

As one can see from the table, our performance composites pummeled their respective benchmarks in the first quarter. Based on percentages, our best relative performer among our core composites was SSB Growth, which beat its benchmark by more than three percentage points. However, our composite of Closed-End Income accounts also shined, with a total return of 12.2%, against 8.7% for a reasonable blended benchmark.

Our weakest performer was ETF Options Income, which would be expected to lag in a strong bull market. That’s because in exchange for income from selling options, we agree to hand over shares of underlying ETFs at prices that may be lower than market prices. For the quarter, ETF Options Income gained 9.2%.

We pick investments and design portfolios with various objectives and criteria in mind, including diversification and cost. However, when it comes to timing for the investment and economic environment we expect for the foreseeable future, we are operating currently under three main assumptions. The first is that on average, the pace of real economic growth going forward in the U.S. and much of the world abroad will be lower than during much of the post-World War II period. Declining rates of fertility in most of the developed world and even in some emerging countries, combined with a lack of productivity growth in the face of various political realities, make this a strong possibility, in my opinion.

The second is that inflation and interest rates will remain historically low, for various reasons, not the least of which is the slower expected pace of global economic growth.

And the third is that a relatively small number of disruptive, innovative companies will grow and prosper if we are right about our first two assumptions. The reasons for this belief are both old and new. For many decades, observant students of the stock market have deduced that during periods of fast economic growth and rising inflation, companies that simply satisfy stronger demand for commodities and basic products, or that sell capital equipment into overly enthusiastic end markets, tend to perform well. It’s the proverbial fast rising tide that lifts virtually all boats. However, in times of slower economic growth and weak aggregate demand, these same companies struggle, while companies that can thrive regardless of the environment are rewarded with higher stock prices, at least relative to the overall market.

The new factor is the historically low interest rates, which correlates to low costs of capital: easier equity financing and lower borrowing costs. Innovative companies that capture the attention of investors

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and lenders have rarely had it as good as they do now. They can borrow to fund their ramps up at virtually unheard-of rates, thus accelerating their development and increasing the rate of obsolescence of competitors stuck with huge networks based on old ways of doing things, including landline phone providers, heavily-stored retailers, computer hardware companies and even traditional advertisers, just to name four major industries facing dire competitive landscapes.

These three assumptions about the economic and investing environment lead us to certain investing observations and decisions. One is basic: favor 'growth' stock funds and ETFs over 'value' ones, even if relative valuations between the two styles suggest that value is out of favor and "ripe for a rebound." In the environment we expect, a growing "E," earnings, is going to be more important than price or valuation, because the industry environment of value-priced companies may not improve much, if ever. In a world of increasingly quick innovation and obsolescence, low present valuations for a lot of companies will turn out to be ephemeral, anyway, as their valuations rise due to falling earnings. Another is that we should favor investment in countries with the largest numbers of innovative companies, and where the spirit of entrepreneurship still burns brightly: mainly the U.S., but also China and India, and a few smaller countries. And, as successful investing is almost as much about avoiding bad investments as it is finding good ones, avoid large investment in the most economically stagnant countries and economically sensitive stocks, many of which can be found in the small-cap-value and natural resources categories of the stock market.

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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