JULY 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	**2.7%**	**12.2%**	**8.8%**	**10.8%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*-1.2%*	*8.0%*	*7.5%*	*8.4%*
Growth & Income	**2.0%**	**10.5%**	**8.0%**	**9.4%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*-1.1%*	*6.9%*	*6.9%*	*7.6%*
Conservative Balanced	**1.1%**	**7.8%**	**6.8%**	**7.4%**
Closed-End Income	**-1.0%**	**2.3%**	**7.6%**	**N/A**
ETF Option Income	**3.6%**	**8.6%**	**N/A**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-1.1%*	*5.6%*	*6.1%*	*6.6%*
Retirement Income	**0.2%**	**6.1%**	**6.2%**	**6.3%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*-1.1%*	*4.9%*	*5.6%*	*6.0%*
Index				
S&P 500	2.7%	14.4%	11.9%	13.4%
Russell 3000 &&	3.2%	14.8%	11.6%	13.3%
Russell 2000 ##	7.7%	17.6%	11.0%	12.5%
MSCI EAFE @@	-2.8%	6.8%	4.9%	6.4%
MSCI Emerging Markets	-6.7%	8.2%	5.6%	5.0%
Barclays Aggregate Bond	-1.6%	-0.4%	1.7%	2.3%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	0.3%	9.4%	7.8%	9.2%
Vanguard LifeStrategy Moderate Growth #	0.1%	7.2%	6.5%	7.6%
Vanguard LifeStrategy Conservative Gr @	-0.2%	5.0%	5.1%	6.0%
Vanguard LifeStrategy Income ^	-0.5%	2.8%	3.6%	4.3%

YTD through 6/30/2018. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Note: *&&A good measure of the broad market, ##Small-cap stocks. @@Developed market foreign stocks. Style Comparisons: &A comparison for Salzinger Sheaff Brock, LLC (SSB) Growth and SSB Growth & Income. #A comparison for SSB Growth & Income. @A comparison for Conservative Balanced. ^A comparison for SSB Retirement Income. Composites include all fully discretionary accounts including those accounts no longer with the firm. Returns are presented net of management fees and all trading expenses, and the reinvestment of all income. Net returns are net of model fees and are derived by deducting the highest applicable fee rate of 0.96% from the gross returns each quarter. 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 SBIA.* ***Past performance is not indicative or a guarantee of future results and investors may experience a loss.*** *(continued on back)*

Broad indexes of U.S. stocks as well as composites of our accounts for various risk levels outpaced broad indexes of international and emerging markets equities in the first half of this year (please see table). Though our accounts include significant exposure to foreign markets, it is generally less so than the percentage invested in overseas equities by big mutual fund companies that offer global asset allocation funds, including those of Fidelity, T. Rowe Price and Vanguard, four examples of which we include in the table. The more aggressive asset allocation offerings of those providers dedicate about a third of total assets to foreign equities, versus about 15% for SSB Growth accounts, for example.

Investment management theory suggests that U.S. investors should invest considerably more in overseas equities than they typically do, because such investments have potential for significant returns with different return patterns than U.S. equities might exhibit. In other words, international investing can provide diversification, which should reduce risk, while not hurting returns over the long run, or so the theory goes. This is probably the main reason Fidelity, T. Rowe Price and Vanguard provide such high exposures to foreign markets in many of their asset allocation products.

The main problem I have with this type of thinking and practice is it is based partially on data produced decades ago, when various foreign markets were much different than they are today. Consider: the economy of Japan grew at 10% annual rates in the 1960s, 5% annually in the 1970s and 4% annualized in the 1980s. Now, however, it struggles to grow at all. Given this dramatic difference, is it really sensible to consider how Japanese equity prices performed in decades past when considering how heavily to weight the country today in global portfolios? The country's stock market certainly isn't going to perform similarly to what it did in the past. And this is not to pick on Japan, some stocks of which may be decent buys at current prices. I could say nearly the same about many European countries, struggling to grow today anywhere near the rates of decades past, and with generally uninspiring demographic and fiscal trends.

Personally, while I want our accounts to have some exposure to international equities in case they outperform the U.S., I'd rather more heavily favor the U.S., where the potential for economic growth is generally higher than in other developed nations. And, for the international exposure I do offer, I prefer niche, actively managed funds with managers I hope can provide superior returns to overseas markets generally, and with more diversification for U.S.-centric portfolios.

Continued on back

I want to end this letter this month with a little discussion about why differences in return should matter to you. On the one hand, as long as your own portfolio grows enough to cover what you need for various purposes, it has done well enough. Often, this can be accomplished by a combination of steady savings and avoiding some common big investing mistakes, such as putting too high a percentage of your assets in the hot stock du jour; stressing high-fee, complex investment products for your capital; or sticking with an ultra-conservative asset allocation that limits your potential returns to a couple of percentage points per year.

On the other hand, even small differences in investment returns can add up over many years, thanks to the power of compounding. Consider the five-year annualized return of our SSB Growth composite (10.8%) - - the size-weighted average return of all the accounts with the heaviest equity allocations - - versus that of the blended Lipper benchmark (8.4%) - - an equity-heavy blend (90/10) of global all-capitalization stock funds and investment-grade bond funds. Over one year, the percentage difference in five-year annualized return between the SSB Growth Composite and the blended Lipper benchmark would have created a relatively modest advantage of $24,000 on an initial investment of $1 million. However, over the full five-year period, the difference in annualized returns would have created an advantage for the SSB Growth composite of $173,000—in other words, a lot of money. (Of course, past performance is no guarantee of future results, in absolute terms or relative to a benchmark.)

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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Chief Investment Officer and Portfolio Manager