

JULY 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) and Closed-End 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	June 2020	YTD	12 Months	3 Years	5 Years
Growth	2.6%	-0.4%	8.0%	8.7%	8.1%
<i>Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)</i>	3.1%	-6.3%	0.8%	4.4%	5.5%
Growth & Income	2.0%	-2.0%	5.3%	7.4%	7.2%
<i>Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)</i>	3.1%	-4.3%	2.3%	4.7%	5.6%
Conservative Balanced	1.6%	-3.2%	3.1%	5.8%	6.0%
Closed-End Income	0.9%	-9.3%	-2.8%	2.6%	5.6%
<i>Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)</i>	3.1%	-2.4%	3.6%	5.0%	5.5%
Retirement Income	1.0%	-5.9%	-0.2%	4.0%	4.9%
<i>Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)</i>	3.1%	-1.2%	4.3%	5.1%	5.5%
Index					
S&P 500	2.0%	-3.1%	7.5%	10.7%	10.7%
Russell 3000 &&	2.2%	-3.8%	5.9%	9.4%	9.4%
Russell 2000 ##	3.5%	-12.9%	-6.6%	2.0%	4.3%
FTSE Global All Cap X-US@@	4.4%	-10.9%	-4.2%	1.4%	2.7%
Barclays Aggregate Bond	0.6%	6.1%	8.7%	5.3%	4.3%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	2.6%	-3.7%	3.7%	6.4%	6.6%
Vanguard LifeStrategy Moderate Growth #	2.2%	-1.4%	4.9%	6.2%	6.2%
Vanguard LifeStrategy Conservative Gr @	1.7%	0.9%	6.0%	6.0%	5.7%
Vanguard LifeStrategy Income ^	1.2%	3.0%	6.7%	5.6%	5.0%

Through 6-30-2020. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Returns over 12 months annualized. Notes: && 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).

The stock market continued its comeback in June. While the S&P 500 climbed 2.0%, the tech-heavy NASDAQ Composite maintained its strong lead by gaining another 6.0% or so. Small caps also were strong, as the Russell 2000 rose by 3.5%. ‘Growth’ stocks continued their dominance over ‘value.’

In a change from recent times, foreign stocks outperformed many of their U.S. competitors. Led by strong performance from Pacific and other emerging markets, the FTSE Global All Cap ex-US index gained a whopping 4.4%.

Though the S&P 500 is up a couple of percentage points for the year as I write this in mid/late July, it was down 3.1% in the first half of the year. Compared to most other stock indexes, however, this was a good result. The Russell 2000 and FTSE Global All-Cap X-US indexes fell 12.9% and 10.9%, respectively, for example. On the other end of the spectrum, technology stocks and a few other growth stocks, especially ones associated with distance communication, e-commerce and specific health technologies and treatments, produced very strong gains.

Our accounts were a bit of a mixed bag in the first half. By and large, our Growth and Growth & Income accounts performed well. Though most of them had losses, they were smaller than both the S&P 500's and those of their respective blended diversified benchmarks of stocks and fixed income. On the other hand, our Retirement Income accounts continue to suffer generally from some of what we own,

namely, high-yielding, though credit sensitive, closed-end taxable income funds, as well as some of what we don't, namely long-term Treasuries, which have been among the best investments one could own so far this year. Though Federal Reserve policy suggests Treasuries will be stable for the foreseeable future, I expect the closed-end income funds to continue recovering as treatments and preventatives for COVID-19 come on line.

Speaking of COVID-19, many are worried that the stock market will swoon big time as cases jump in several parts of country, especially in such heavily populated, economically important states as California, Florida and Texas. While worrisome from a health perspective, my best guess is that investors will continue looking past the health and economic impacts of the virus uptick and closings toward later in the year and beyond, when monetary policy will still be extremely positive and potentially game-changing antibody treatments and then vaccines will come on line. The news on both of these types of therapeutics have been very promising so far, though limited by sizes of the trials.

That doesn't mean I'm complacent, however. After the huge rebound in recent months, I am hesitant to put much new money to work. A lot of the U.S. equities I like for the current market have already gone up a lot, while quite a lot of the stocks that have fallen would seem to be disadvantaged for one reason or another such that I am not sure they are good buys even at current prices. As for bonds, I simply can't

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fathom investing much in longer-term high-grade bonds that yield next to nothing, while some other sectors I liked a few months ago have done well enough that their current value is no longer all that compelling.

The upcoming elections in November also add to uncertainty. On the one hand, by its good recent performance the market is saying the elections may not be a big deal after all. And let me be clear: the market has historically done well under many governing scenarios, including Democratic control of the White House and both houses of Congress. On the other, potentially damaging economic change pushed by 'the street' and progressive figures in society and government will have a better chance of actual implementation if the Democrats win the White House, the House of Representative and even the Senate in sufficient numbers as to render more moderate Democrats unnecessary to pass legislation. Therefore, I will be watching polls of various Senate races closely as the months go by toward November, keeping in mind that a return, say, to tax rates as they existed under the Obama administration probably would not be enough to push me toward major changes in allocations.

One change in my recent thinking is that I believe some international markets and types of stocks have become more attractive lately versus U.S. equities, for two reasons. One, most developed markets seem ahead of where we are in the COVID-19 timeline. And two, given what continues to transpire in some American cities, as well as survey results that suggest increasing numbers of Americans believe we're a racist nation in which various values related to economics (e.g., merit, capitalism itself) are artifacts of white domination and should be undone, I can no longer say that the U.S. seems more stable than many other countries in which we can invest. So, notwithstanding my earlier comment about hesitancy in putting new money to work, I would expect top international equity and global-stock funds to get more of any new capital within the accounts than they have previously.

For more information or 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,

A handwritten signature in black ink that reads 'Mark Salzinger'.

Mark Salzinger
Chief Investment Officer and Portfolio Manager

The S&P 500 Index is a market capitalization-weighted index comprised of the 500 stocks with the largest market capitalizations trading in the United States. This is not a managed portfolio and does not reflect the deduction of fees or expenses; The Lipper Global Multi-Cap Index is comprised of the 30 largest funds by asset size investing in a variety of market cap equities without concentrating 75% of their assets in any one market cap over an extended time. 25% to 75% of their assets are in companies both inside and outside of the U.S. The Lipper General Bond Index consists of the 30 largest funds by assets that do not have any quality or maturity restrictions, and keep a bulk of their assets in corporate and government debt issues. The Lipper Emerging Market Index consists of the 30 largest funds by assets that keep a bulk of their assets in emerging market equities. Lipper indices reflect the deduction of fund fees or expenses; returns include dividends. The Barclays US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market in the United States, including Treasuries, government-related and corporate securities, mortgage backed securities, asset-backed securities and CMBS (agency and non-agency). Russell 3000 and Russell 2000 indices are market capitalization weighted equity indices maintained by the Russell Investment Group. The 3000 seeks to be a benchmark of the entire U.S. stock market, and the 2000 seeks to be a benchmark of the small-cap U.S. stock market. More specifically, they encompass the 3,000 largest, or 2000 smallest U.S.-traded stocks respectively, in which the underlying companies are incorporated in the U.S. The FTSE Global All Cap X-US is an equity index which captures most of the world's stocks ex-US. Indexes are unmanaged and unavailable for direct investment. Benchmark returns include reinvestment of income, but do not reflect taxes, or other fees that would reduce performance. Two general types of benchmarks are provided. The first type is a well-known and widely-recognized index, such as the S&P 500 Index and the Barclays US Aggregate Bond Index (both described above). These types of indices are not selected to represent an appropriate benchmark with which to evaluate a composite's performance, but rather to allow for comparison of a composite's performance to that of a widely recognized index. The second type of index is a more narrowly-focused index selected based on one or more characteristics, such as asset class, style or strategy. A more narrowly-focused index may have characteristics similar to those of a composite, actual composite holdings will differ significantly from the index. Consequently, use of a narrowly-focused index does not indicate that a composite will achieve returns, volatility or other results similar to the index. Clients should NOT expect performance comparable to the narrowly-focused index in an actual account. Securities may be mentioned in a portfolio description, and if so a list of a transactions/recommendations for the trailing 12 months is available upon request. There is the chance that market conditions or portfolio performance may deteriorate in the future, and clients may experience real capital losses in their managed accounts. None of the indices may be an appropriate comparison index as our managed accounts may own companies not represented in the benchmarks. Salzinger Sheaff Brock, LLC (SSB) provides this Newsletter for general informational and educational purposes, and where appropriate, to assist in explaining the portfolios and composites. It is not investment advice for any person. Information is obtained from sources SSB believes are reliable, however, SSB does not audit, verify, or guarantee the accuracy or completeness of any material contained therein. The statements and opinions reflect the judgment of the firm, and along with the information from third-party sources and calculations, are made on the date hereof and are subject to change without notice. SSB does not assume liability for any loss that may result from reliance by any person upon any material in this Newsletter. Clients or prospective clients are directed to SSB's Form ADV Part 2A or to one or SSB's representatives for individualized information prior to deciding to participate in any portfolio. SSB does not provide tax advice. Clients are strongly urged to consult their tax advisors regarding any potential investment.