AUGUST 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	**5.2%**	**12.8%**	**9.3%**	**10.1%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*1.6%*	*8.5%*	*8.2%*	*8.1%*
Growth & Income	**4.2%**	**11.0%**	**8.5%**	**8.9%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*1.3%*	*7.2%*	*7.4%*	*7.3%*
Conservative Balanced	**3.0%**	**8.3%**	**7.2%**	**7.2%**
Closed-End Income	**0.8%**	**1.6%**	**7.7%**	**N/A**
ETF Option Income	**5.3%**	**9.0%**	**N/A**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*0.9%*	*5.9%*	*6.6%*	*6.5%*
Retirement Income	**1.9%**	**6.6%**	**6.6%**	**6.2%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*0.7%*	*5.0%*	*6.0%*	*5.9%*
Index				
S&P 500	6.5%	16.2%	12.5%	13.1%
Russell 3000 &&	6.3%	15.8%	11.5%	12.2%
Russell 2000 ##	9.3%	18.3%	11.6%	10.9%
MSCI EAFE @@	-0.4%	6.4%	5.0%	5.9%
MSCI Emerging Markets	-4.6%	4.4%	8.9%	5.3%
Barclays Aggregate Bond	-1.6%	-0.8%	1.5%	2.3%
Mutual Fund/ETF Comparisons				
Vanguard LifeStrategy Growth &	2.7%	9.8%	8.3%	8.8%
Vanguard LifeStrategy Moderate Growth #	1.9%	7.4%	6.8%	7.3%
Vanguard LifeStrategy Conservative Gr @	1.1%	5.0%	5.2%	5.8%
Vanguard LifeStrategy Income ^	0.1%	2.6%	3.5%	4.1%

YTD through 7/30/2018. 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. # 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)*

Salzinger Sheaff Brock eschews full-scale financial planning as well as bare bones automated investment programs. Instead, we take a middle course, emphasizing investment management with a personal touch. From a business perspective, we sometimes feel uncomfortably sandwiched between the two extremes. On one side, so-called family offices offer a combination of financial-related services, including investment management, estate planning, tax planning and other services for wealthy people who essentially want to outsource the financial decision-making process. On the other, "Robo Advisors" offer a low-expense alternative for investors who eschew human interaction and a wider range of services and would rather have an account managed automatically, according to a model that takes into account various features of their financial goals.

I understand the psychological appeal of outsourcing one's financial-related decisions. However, my own view is that many people do so for an erroneous reason: they believe their financial lives need to be more complicated than is really necessary. In truth, most folks need just a few things, financially speaking: a liquid emergency fund of three to six months of expenses, or more if it makes you feel better; a well-managed, reasonably priced investment portfolio, well-suited to your needs; reasonably priced term life insurance, assuming loved ones would need to replace the income you provide from working; health insurance; and a basic estate plan. And, if you are at least 60 and can find a reasonably priced and generous long-term care policy from a highly rated insurance company, it might not be a bad idea to get one of these, either, especially if your household liquid net worth is somewhere in the range of $300,000 to $1 million. (However, good long-term care policies are hard to find in the private market these days.)

Most people do not need the following: **One**, complicated insurance policies. So-called universal or whole life insurance policies combine investment and insurance features that usually end up providing expensive insurance and poor investment results. **Two**, complicated trusts, especially considering the relatively high estate tax exemptions in current law. While trusts are warranted in some special cases, they can be costly to set up, require their own annual tax forms and may restrict your ability to use assets the way you see fit. **Three**, alternative investments, including long/short and/or market neutral funds, private equity investments, commodities, structured notes and managed futures programs. Few, if any, of these investments have made good money for investors over long periods of time. And **four**, complicated tax avoidance strategies or withdrawal strategies. Instead, consider the following when taking withdrawals from your investments: one, the more time you can defer taxes, the better, so try not to access your retirement accounts until you have to; and two, under current law, the cost basis of your investments in taxable

Continued on back

accounts step up when you die, so do yourself and your heirs a favor and try not to sell highly appreciated assets within taxable accounts unless it's absolutely necessary.

And, if you don't need these things, there's rarely a need to pay the higher fees associated with family offices.

I also get the theoretical appeal of Robo Advisors. After all, why pay a significant management fee to a human investment advisor for results that often fail to beat, or even match, investment benchmarks? What I would say here, though, is that just because a Robo Advisor is low cost, doesn't mean it's good for your wealth. Like any other asset allocator, the results from a Robo Advisor will only be as good as the investments it puts you in.

Using data from *The Robo Report*, a publication of Backend Benchmarking (www.backendbenchmarking.com), we can see how portfolios produced by various Robo Advisors performed during the first half of 2018 and over the 12-month period ended June 30, 2018, and compare them to our own composite results through the same date (in last month's update, available on www.salzingersheaffbrock.com). For a taxable account with an approximate allocation of 60% equity, 40% fixed income, not even one of 18 Robo accounts (each one from a different provider) came within 1.5 percentage points of the SSB Growth & Income composite, despite most of our Growth & Income accounts being only modestly more equity oriented. In fact, only two of the 18 even matched or beat the SSB Conservative Balanced composite for the 12-month period.

So, before you sign up with a Robo Advisor, please consider that what counts is your total performance after costs, not just the costs. ***Mediocre total returns from a low-cost account is no bargain.***

To get started in any of our strategies (all reasonably priced), 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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