AUGUST 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	July 2019	Year-to-date	12 Months	3 Years	5 Years
Growth	**0.9%**	**19.3%**	**4.4%**	**10.6%**	**8.2%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*0.1%*	*14.4%*	*1.6%*	*8.7%*	*5.9%*
Growth & Income	**0.9%**	**17.7%**	**5.3%**	**9.6%**	**7.6%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*0.1%*	*13.3%*	*2.7%*	*7.9%*	*5.5%*
Conservative Balanced	**0.8%**	**15.5%**	**5.5%**	**8.0%**	**6.5%**
Closed-End Income	**1.0%**	**17.4%**	**7.6%**	**7.8%**	**N/A**
ETF Option Income	**-0.4%**	**11.3%**	**3.9%**	**8.4%**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*0.2%*	*12.3%*	*3.7%*	*7.1%*	*5.1%*
Retirement Income	**0.7%**	**14.1%**	**5.0%**	**6.8%**	**5.7%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*0.2%*	*11.6%*	*4.4%*	*6.5%*	*4.8%*
Index					
S&P 500	1.4%	20.3%	8.0%	13.4%	11.4%
Russell 3000 &&	1.5%	20.5%	7.1%	13.1%	11.0%
Russell 2000 ##	0.6%	17.7%	-4.4%	10.4%	8.5%
FTSE Global All Cap X-US@@	-1.1%	12.3%	-2.5%	7.3%	2.7%
Barclays Aggregate Bond	0.2%	6.4%	8.1%	2.2%	3.1%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	0.2%	14.6%	3.9%	8.9%	6.9%
Vanguard LifeStrategy Moderate Growth #	0.3%	12.6%	5.1%	7.4%	6.1%
Vanguard LifeStrategy Conservative Gr @	0.4%	10.6%	6.2%	5.8%	5.3%
Vanguard LifeStrategy Income ^	0.5%	8.6%	7.4%	4.1%	4.3%

Through July 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).

Our composites performed nicely versus their respective benchmarks in July and through the first seven months of the year, as our emphasis on U.S. equities over foreign ones helped returns within our core investment styles. Longer-term returns also were good versus the respective benchmarks. Like last month, however, this month I'd like to talk about the 12-month returns, specifically, the especially strong performance of the composite of our SSB Closed-End Income accounts.

As you can see from the table, the aggregate percentage total return of our closed-end accounts came to 7.6% in the latest 12-month period. This beat our next-best-performing composite for the period (SSB Conservative Balanced) by more than two percentage points. It beat a 60/40 benchmark of equity and bond funds by nearly four percentage points. It nearly matched the 12-month return of the S&P 500 (and beat it before our maximum management fee) while outpacing the Russell 3000, a broader measure of the U.S. equity market, by half a percentage point.

Many of our selections from among the nearly 500 available closed-end funds invest in bonds, which certainly helped our performance over the period. Particular standouts were closed-end funds that invest in municipal bonds. Our selections from this investment area benefited both from falling rates (and, therefore, higher prices) for their municipal bond holdings as well as shrinking discounts for the closed-end funds themselves. (That means the actual market prices of the funds rose closer to their net asset values [NAVs].) Of course, our total return also benefited from better-than-average income generated by our municipal closed-end holdings as well as other fixed-income closed-end funds, including those for high-yield bonds.

Various aspects of the structure of closed-end funds impact their performance such that they act neither like pure equity nor pure fixed-income investments. Therefore, they can provide some diversification as well as the chance for attractive income and total return.

Closed-end funds are effective barometers of investor sentiment in specific investment areas. When discounts for an area are small in an absolute sense or relative to their normal range, it suggests that investor sentiment is positive. If closed-end funds for an investment area are trading at premiums to their NAVs, it suggests that investors are *very* positive. Such is the case now for some municipal closed-end funds, which, consequently, are not as attractive to me now as they were a year ago.

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On the other hand, when discounts are large and getting larger for an investment area, it suggests that investors are pessimistic, and value may be found. Such is the case now with closed-end funds that invest mainly in floating-rate loans, many of which now trade at discounts in excess of 12%, and whose distribution rates exceed 6%. Because the coupons from floating-rate loans vary (with lags) with short-term rates, investors fear payouts will shrink.

Maybe they are right, but I think the worry is overdone, especially when it comes to closed-end funds that invest predominantly in floating-rate loans. Therefore, within our closed-end income accounts, I have been decreasing the allocation to municipal bonds and increasing it to floating-rate loans. It is my hope that tactical asset allocation shifts like this will add to total return for our closed-end income accounts over time.

Meanwhile, our worst-performing composite over the past 12 months has been SSB ETF Options Income, up 3.9%. In this product, I've emphasized areas with some volatility, including foreign and some industry/sectors (biotechnology and financials), where option premiums have been larger. As these areas have lagged the broad U.S. equity and bond markets, this composite has gained less than our other ones. However, given the lower risk (three-year beta of only 0.54 vs. the S&P 500), performance over the past year wasn't bad and actually looks quite good (up 8.4% per year) over the past three years.

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.

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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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