APRIL 2022 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	March 2022	YTD	12 Months	3 Years	5 Years
Growth	**1.7%**	**-8.2%**	**3.1%**	**13.8%**	**11.8%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*0.5%*	*-6.9%*	*1.8%*	*11.7%*	*9.7%*
Growth & Income	**1.3%**	**-7.5%**	**2.7%**	**11.4%**	**10.1%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*0.1%*	*-6.6%*	*1.2%*	*10.5%*	*8.8%*
Conservative Balanced	**0.9%**	**-6.8%**	**1.3%**	**8.6%**	**7.9%**
Closed-End Income	**-0.2%**	**-7.7%**	**0.1%**	**7.2%**	**6.8%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-0.3%*	*-6.4%*	*0.6%*	*9.3%*	*7.9%*
Retirement Income	**1.0%**	**-5.4%**	**1.5%**	**5.9%**	**5.8%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*-0.5%*	*-6.3%*	*0.2%*	*8.4%*	*7.2%*
Index					
S&P 500	3.7%	-4.6%	15.7%	18.9%	16.0%
Russell 3000 &&	3.2%	-5.3%	11.9%	18.2%	15.4%
Russell 2000 ##	1.2%	-7.5%	-5.8%	11.7%	9.7%
FTSE Global All Cap X-US@@	0.4%	-5.2%	-0.4%	8.5%	7.4%
Barclays Aggregate Bond	-2.8%	-5.9%	-4.2%	1.7%	2.1%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	0.9%	-5.7%	4.0%	11.5%	10.0%
Vanguard LifeStrategy Moderate Growth #	0.0%	-5.7%	1.9%	9.0%	8.1%
Vanguard LifeStrategy Conservative Gr @	-0.9%	-5.7%	-0.2%	6.5%	6.2%
Vanguard LifeStrategy Income ^	-1.8%	-5.6%	-2.3%	3.9%	4.1%

Through 3-31-2022. PLEASE SEE IMPORTANT DISCLAIMER ON BACK. Returns over 12 months annualized. Notes: &&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 I write this in mid/late April, the markets are still having a very difficult time. The broad investment-grade U.S. bond market, already down almost 6% in just the first quarter of the year, has fallen another three percentage points or so. Meanwhile, most stocks have done no better, as the quadruple whammy of higher market rates, tightening monetary policy, high inflation and even fears of recession has some investors running for the exits.

The Fed, which was woefully behind the curve when it kept the pedal to the monetary metal for many months too long, shows signs now of oversteering in the opposite direction. Its inflammatory pronouncements of large, multiple hikes in the rates under its control, combined with promised rapid reductions in its balance sheet of Treasuries and other securities, have been expressed with nary a nod to the actual and potential impacts of actions already taken as well as the increase in energy prices that is already likely taking some steam out of the economy.

Consider: while the valuations of stocks almost across the board tend to suffer with increases in rates, out here in the real world the Fed’s actions have the most impact on industries in which people tend to borrow money to fund large purchases— cars and houses. While sales of both have slipped in recent weeks, it wouldn’t surprise me at all if a precipitous drop is in store. For housing, especially, affordability has dropped in recent weeks, as the average rate of a 30-year mortgage has risen to about 5%, the highest since at least November 2018, and well above the levels that generally obtained for at least the past decade.

Meanwhile, with the average price of gasoline now reaching about $4.50 per gallon nationwide (up from $3.22 a year ago), consumers will soon have less money to spend on other items, which also should remove a little heat from the economy.

And yet, there are positives that suggest those who run for the exits now may regret it eventually, unless they have the exceedingly rare good fortune of returning to equities at just the right time, before a huge, rapid runup that often accompanies a turnaround in the market’s fortunes.

The news now is almost universally bad. Russia has invaded Ukraine; in addition to the horrible toll of destruction and loss of life, this war has upended the oil & gas markets and those for wheat and fertilizers, among others. Meanwhile, China has responded to COVID-19 in Shanghai and other areas by essentially shutting down, thereby limiting both consumer spending and manufacturing in the country. And here in the U.S., inflation is at levels not seen in 40 years and a strong majority of the voting public lacks confidence in its public officials to face the difficult problems we face on so many fronts, from the economy and divisive social issues to defense and foreign policy.

Economically speaking, some of these situations are as likely to

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improve as they are to worsen. The war could end. Other nations could increase their own production of energy, wheat and agricultural inputs. Inflation is likely to fall as declining fiscal spending and higher rates begin to depress consumer demand, while more people sitting on the sidelines of the workforce decide they need to get back to work. (The Biden administration's extension of the moratorium on federal student debt repayment until August hurts this trend, but perhaps the extensions will end once we get past the November elections.) The rise in COVID cases in China could dissipate in weeks or months, allowing manufacturing there to return to near-normal levels. Meanwhile, consumer spending and the real estate sector may get a slight boost from easier credit from China's monetary authorities.

Though I wouldn't say stocks are cheap, they certainly are much more attractively valued than they have been for much of the past two years. This is especially true of growth stocks. Having carried portfolio-wide price/earnings ratios (P/Es) in the mid-30s for much of the past several years, most of the growth-stock funds in client accounts now sport P/Es in the mid-20s, or even lower. For long-term investors (or, at least, for the portion of one's portfolio that's long-term in nature), I believe it makes sense to hold these funds in most cases through the current turmoil.

However, as I wrote last month, I have decreased client positions in the bond market. (Some clients may still own a bit.) Instead of using the proceeds in most cases to increase exposure to the stock market, I have attempted to lower risk a bit by leaving them in cash. As money-market rates begin to rise from zero (which they should do as the Fed raises interest rates), I have begun investing some of the cash in money-market funds from Schwab, which now owns our custodian, T.D. Ameritrade Institutional. Once I believe longer-term rates are close to peaking, I may then rebuild the positions in bond funds.

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Thank you for your interest in Salzinger Sheaff Brock (SSB), the only source of personalized money management by me,

Mark Salzinger

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