MAY 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	April 2022	YTD	12 Months	3 Years	5 Years
Growth	**-8.5%**	**-16.0%**	**-9.9%**	**9.3%**	**9.6%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*-6.9%*	*-13.3%*	*-8.0%*	*8.0%*	*7.8%*
Growth & Income	**-7.5%**	**-14.4%**	**-8.7%**	**7.5%**	**8.1%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*-6.4%*	*-12.6%*	*-7.7%*	*7.2%*	*7.1%*
Conservative Balanced	**-6.3%**	**-12.7%**	**-8.1%**	**5.4%**	**6.3%**
Closed-End Income	**-5.8%**	**-13.1%**	**-8.2%**	**4.4%**	**4.7%**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-5.9%*	*-11.9%*	*-7.5%*	*6.3%*	*6.3%*
Retirement Income	**-5.4%**	**-10.6%**	**-6.6%**	**3.1%**	**4.4%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*-5.5%*	*-11.4%*	*-7.4%*	*5.7%*	*5.7%*
Index					
S&P 500	-8.7%	-12.9%	0.2%	13.9%	13.7%
Russell 3000 &&	-9.0%	-13.8%	-3.1%	13.1%	13.0%
Russell 2000 ##	-9.9%	-16.7%	-16.9%	6.7%	7.2%
FTSE Global All Cap X-US@@	-6.2%	-11.1%	-9.5%	5.3%	5.6%
Barclays Aggregate Bond	-3.8%	-9.5%	-8.5%	0.4%	1.2%
Mutual Fund/ETF Comparisons					
Vanguard LifeStrategy Growth &	-7.0%	-12.4%	-6.6%	7.8%	8.1%
Vanguard LifeStrategy Moderate Growth #	-6.2%	-11.5%	-6.9%	6.0%	6.5%
Vanguard LifeStrategy Conservative Gr @	-5.2%	-10.6%	-7.3%	4.2%	4.8%
Vanguard LifeStrategy Income ^	-4.3%	-9.7%	-7.7%	2.1%	3.0%

Through 4-30-2022. 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).

I expect the very difficult market environment to last for at least a few months longer. As I've often written in so many words in this monthly letter and elsewhere, perhaps the worst investment environment for most equities is one characterized by high inflation, rising interest rates, a growing likelihood of recession, and declining earnings momentum. And what do you know, that's exactly the investment environment in which we find ourselves now.

Looking beyond the next few months, however, the picture looks brighter to me. How good could next year be for investors if, for example, the war in Ukraine ended, inflation cooled, the Federal Reserve Board stopped (or at least paused) hikes in interest rates, and the economy was at least middling along? All of this is possible.

Speaking of the war, while I've read nothing lately of negotiations between Ukraine and Russia to end it, both sides have limitations in personnel and equipment that suggest an eventual pause, especially as enthusiasm for continued massive amounts of aid to Ukraine begins to wane within the public of various NATO nations, including the U.S. If the war does end, exports of various commodities from Ukraine and perhaps even Russia will begin to flow again, relieving some inflationary pressures in agriculture and other markets. Meanwhile, tighter monetary conditions are already impacting the housing and automobile markets in the U.S., allowing pricing to moderate at least a bit in those two essential industries. On interest rates, the consensus is for the Fed to raise the federal funds rate (its main lever to affect monetary policy) to about 3% by the end of 2022, at which point the central bank may very well pause to see how much more tightening, if any, is necessary to bring inflation down into its desired 2% to 3% range on an annual basis. It also would help, of course, if the Chinese adjusted their approach to COVID-19, which they must do eventually as even strict lockdowns fail to stop very communicable variants anyway, and as new variants have generally been less lethal (though still dangerous, of course) as well.

Small stocks and growth stocks have been losing more than larger and value stocks. However, a large part of the advantage for value has been from conventional energy stocks, the one sector of the market with a big gain for the year. Nevertheless, because our accounts generally include small-cap funds (as well as large-cap funds, etc.) and are modestly tilted toward the growth style, we've been having a tougher year than I'd like so far.

However, I feel this is a time to stay the course with our current positioning. As for small and midsize stocks, while I recognize their difficulties in the current economic environment, they now trade at valuations that are difficult not to appreciate. According to Vanguard, for example, the portfolio of its small/mid-cap Extended Market Index fund (VXF on ETF shares) had an average price/earnings ratio of just 13.8 on trailing 12-months earnings of April 30, vs. 20.5 for Vanguard Large-Cap Index ETF (VV). That's a historically large gap that suggests a reversion to the mean is in order before too long.

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Meanwhile, the stock prices of various innovative technology companies have been pummeled 60%, 70%, or more over the past 12 months, explaining much of the terrible recent performance of most growth stock funds. Some of this is due to rising interest rates depressing the values of hoped-for cash flows far in the future. But some also is due to cyclical pressures. For example, increasing pessimism among businesses is leading to decreased demand for online advertising, crushing the stock prices of such former darlings of the business including SNAP, Pinterest, Facebook and even Google. In fact, stocks in various technology areas, from smaller biotechnology to large cloud-computing, consulting, online shopping and even semiconductor companies are being crushed currently because growth is slowing. But will these businesses slow forever? Personally, I doubt it. As the years go by, I expect the secular advantages of leading companies in these high-tech industries will allow their stock prices to approach or even exceed their prior heights in some cases. If we sell the funds now that invest in them, we'll have made permanent the short-term downdraft and missed out on the potential long-term gains.

To get started in any of our strategies, please call us at 866-575-5700, or send an email to info@salzingersheaffbrock.com. Thank you!

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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

Mark Salzinger
Chief Investment Officer and Portfolio Manager