AUGUST 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	July 2022	YTD	12 Months	3 Years	5 Years	10 Years
Growth	**7.4%**	**-16.9%**	**-14.4%**	**8.3%**	**8.4%**	**10.3%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*6.6%*	*-14.0%*	*-11.4%*	*7.6%*	*6.6%*	*8.6%*
Growth & Income	**6.8%**	**-15.3%**	**-12.8%**	**6.4%**	**7.1%**	**8.8%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*6.0%*	*-13.1%*	*-10.9%*	*6.8%*	*6.0%*	*7.7%*
Conservative Balanced	**5.6%**	**-13.6%**	**-11.7%**	**4.4%**	**5.4%**	**6.7%**
Closed-End Income	**6.4%**	**-13.1%**	**-11.0%**	**3.5%**	**3.9%**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*5.3%*	*-12.2%*	*-10.5%*	*5.8%*	*5.4%*	*6.8%*
Retirement Income	**5.2%**	**-11.7%**	**-10.0%**	**2.1%**	**3.5%**	**5.2%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*4.9%*	*-11.7%*	*-10.2%*	*5.1%*	*4.9%*	*6.1%*
Index						
S&P 500	9.2%	-12.6%	-4.6%	13.4%	12.8%	13.8%
Russell 3000 &&	9.4%	-13.7%	-7.4%	12.6%	12.2%	13.5%
Russell 2000 ##	10.4%	-15.4%	-14.3%	7.5%	7.1%	10.6%
FTSE Global All Cap X-US@@	3.7%	-15.5%	-15.0%	3.8%	3.1%	5.8%
Barclays Aggregate Bond	2.4%	-8.2%	-9.1%	-0.2%	1.3%	1.7%
Mutual Fund/ETF Comparisons						
Vanguard LifeStrategy Growth &	6.1%	-13.2%	-10.3%	7.2%	7.0%	8.8%
Vanguard LifeStrategy Moderate Growth #	5.3%	-11.8%	-9.9%	5.3%	5.7%	7.1%
Vanguard LifeStrategy Conservative Gr @	4.4%	-10.5%	-9.6%	3.5%	4.3%	5.3%
Vanguard LifeStrategy Income ^	3.5%	-9.1%	-9.3%	1.4%	2.8%	3.5%

Through 7-31-2022. 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).

July was a strong month for the market. Declining prices for various commodities and indications of some slowing in housing and the economy in general led many in Wall Street to decrease their expectations of future interest-rate hikes by the Federal Reserve. This, in turn, led to a strong bid for equities nearly across the board, though, in a change from recent months, the 'growth' style of investing outperformed value.

Though two recent quarters of shrinkage in the nation's gross domestic product meet the official definition of recession as I recall it, I wouldn't say that we are really experiencing a recession in practical terms. Employment is still very strong and consumers continue to spend. Economic stress is not high, though it is certainly increasing with higher prices virtually across the board for finished products as well as higher interest rates.

Despite the market's gains in July, I continue to believe the rest of the year is going to be turbulent for the stock market. Though many in Wall Street seem to believe the Fed will raise rates a few more times but be finished in early/mid next year before then beginning to cut rates, I think the current cycle is likely to be more drawn out than that. Basically, I think the Fed will feel the need to raise rates somewhat higher than the market currently expects, mainly because inflation will stay higher than the Fed's oft-stated goal of an average of 2% over the long run.

One reason for that is the economy has the look of a strong wage and price cycle, with higher prices forcing employers to increase wages and then prices to compensate for the extra costs, in a cycle that is difficult to break. According to the Federal Reserve Bank of Atlanta, for example, the three-month average of median wage growth on an hourly basis increased from 3.2% a year ago to 6.7% this July. Meanwhile, overall inflation at the consumer level in the U.S., though almost nil sequentially from June to July, was more than 8% year over year and as high as 10% or more in various European countries, including in the U.K.

Also, the Fed is fighting inflation virtually alone, with no help from any other Washington body. Though one would hope any presidential administration, regardless of political party, would join the effort during times like these, the Biden administration and its Congressional allies are sitting it out, at best. In my opinion, the inaptly named, recently passed and signed Inflation Reduction Act will either have virtually no aggregate impact on inflation or could add slightly to it, as instead of decreasing demand and/or increasing supply, it increases demand while potentially shrinking supply. In the main, the bill extends subsidies for government-subsidized health insurance, extends/creates ones for electric vehicles and new climate control systems and disincentivizes small business through a strong perception of increased hassle from the IRS.

Meanwhile, the plan by the Biden administration, just announced today, August 24, to forgive thousands of dollars in college loans (my understanding is up to $10,000 person for those with income of less than $125,000 and $20,000 per couple in a household with income of less than $250,000, perhaps more if there are Pell Grant loans) is certainly inflationary. Instead of spending less to have the money to pay off their loans, or working more to get the money to pay off the loans, the fortunate recipients will be able to work less and spend more.

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For the longer run, signs of a move away from globalization toward "onshoring" argue for higher inflation in the U.S. While this country has plenty of people to do the work if they were motivated, skilled and usefully educated, the reality is that too few people here have those qualities. To the extent that low-cost production in China and various other countries moves back here, personnel costs will be much higher, adding to inflationary pressures.

If I'm right and Washington doesn't reverse course in some significant way, the Fed will likely feel it must raise rates enough to bring inflation down significantly even if demand is so cut that a true recession is the result. If this happens, the stock market is likely to experience another strong move down, so it pays to keep some cash in reserve, especially as interest rates on bonds seem too low to me.

It also means something for the relative performance of investment styles. In a significant recession, some of the same value stocks that have done relatively well over the past 12 months will wilt with lower demand. Meanwhile, some of the growth stocks, especially the large, hardy ones with dominant market positions and still large runways for growth in revenue and profit, should hold up much better even though many have done poorly in recent times due mainly to tighter Fed policy. Meanwhile, small caps, especially of the growth variety, have struggled so much so far this year that their prices already reflect a very difficult operating environment. For long-term investors, I think it's a good time to at least maintain, and perhaps increase, one's exposure to this volatile investment area.

On a personal note, as some of you already know, I have decided to close down *The No-Load Fund Investor* newsletter with the August 2022 issue. Going forward, these Monthly Updates from Salzinger Sheaff Brock, LLC will be the only forum in which I intend to provide my market views in print or online. Of course, I will continue to do my monthly Zoom conference meetings for clients of Salzinger Sheaff Brock only.

To get started in any of our strategies, see the information below. 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
Chief Investment Officer and Portfolio Manager