OCTOBER 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	SEPT 2022	YTD	12 Months	3 Years	5 Years	10 Years
Growth	**-8.1%**	**-25.9%**	**-22.5%**	**4.6%**	**5.5%**	**8.5%**
Benchmark (90% Lipper Multi-cap Core/10% Lipper General Bond Fund)	*-8.7%*	*-24.5%*	*-20.5%*	*3.1%*	*3.4%*	*6.7%*
Growth & Income	**-7.5%**	**-23.7%**	**-20.4%**	**3.0%**	**4.5%**	**7.2%**
Benchmark (75% Lipper Multi-cap Core/25% Lipper General Bond Fund)	*-7.9%*	*-22.9%*	*-19.4%*	*2.5%*	*3.1%*	*6.0%*
Conservative Balanced	**-6.4%**	**-20.8%**	**-18.0%**	**1.5%**	**3.2%**	**5.4%**
Closed-End Income	**-9.1%**	**-23.0%**	**-20.6%**	**-0.7%**	**1.4%**	**N/A**
Benchmark (60% Lipper Multi-cap Core/40% Lipper General Bond Fund)	*-7.2%*	*-21.3%*	*-18.3%*	*1.9%*	*2.8%*	*5.2%*
Retirement Income	**-6.3%**	**-18.8%**	**-16.4%**	**-0.9%**	**1.5%**	**4.0%**
Benchmark (50% Lipper Multi-cap Core/50% Lipper General Bond Fund)	*-6.7%*	*-20.2%*	*-17.6%*	*1.4%*	*2.5%*	*4.7%*
Index						
S&P 500	-9.2%	-23.9%	-15.5%	8.2%	9.2%	11.7%
Russell 3000 &&	-9.3%	-24.6%	-17.6%	7.7%	8.6%	11.4%
Russell 2000 ##	-9.6%	-25.1%	-23.5%	4.3%	3.6%	8.6%
FTSE Global All Cap X-US@@	-10.1%	-26.3%	-25.0%	-0.6%	-0.2%	3.7%
Barclays Aggregate Bond	-4.3%	-14.6%	-14.6%	-3.3%	-0.3%	0.9%
Mutual Fund/ETF Comparisons						
Vanguard LifeStrategy Growth &	-8.4%	-23.4%	-19.6%	2.7%	4.0%	6.9%
Vanguard LifeStrategy Moderate Growth #	-7.3%	-21.1%	-18.2%	1.2%	3.0%	5.5%
Vanguard LifeStrategy Conservative Gr @	-6.1%	-18.8%	-16.8%	-0.3%	2.1%	4.1%
Vanguard LifeStrategy Income ^	-4.9%	-16.3%	-15.4%	-1.9%	1.0%	2.5%

Through 9-30-2022. 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 hope you don't mind if I weasel out this month from expressing a strong view one way or the other on the stock market. Instead, I'm going to allow myself the luxury of an "on one hand," but "on the other" letter, albeit with a thumb on the scale for optimism for the near term, say, the next six to 12 months

On the bright side, as I write this, I'm looking forward to the congressional elections concluding for the most part on November 8. As I've written before in these monthly messages, the six-to-12-month periods after off-year elections have almost invariably been strongly positive for the stock market. This has been especially true when the opposition party prevails such that it controls at least one legislative body of the U.S. Congress, which the Republicans are certainly likely to do beginning in January (the House of Representatives for almost sure, and maybe also the Senate). The hope continues to be that divided government will at least reduce the likelihood of ideologically charged legislation or other actions that will exacerbate our current troubles. It also begins the time when Presidents typically begin to tack back toward the so-called center, in the hope of expanding their fans beyond just their most ideological partisans, as they or their party approach the next presidential election.

It is also true that despite continued scary headline inflation numbers, there are nascent signs of price declines here and there as well as subsiding demand, though only in goods industries, not services. While airplanes and many restaurants and hotels are full—note that the September ISM Services Index was still booming, at 56.7—the ISM Manufacturing Index fell to just 50.9, the lowest since May 2020, and just a few ticks above the neutral level of 50. Various subindexes, notably including New Orders and Employment, were well under 50, indicating contraction. Meanwhile, the number of jobs vacancies relative to the number of available workers has fallen somewhat (though still not to a level that would suggest weakening wage pressures), while some industries, like PCs and used cars, are experiencing falling demand and have even had to cut prices lately.

On the other hand (there it is!), the macro environment is still rotten overall. The main reason is that broad readings of inflation are very high. Consider: The Consumer Price Index (CPI) all-items rose 8.2% in the latest 12-month period; the Producer Price Index (wholesale prices) for final demand goods rose 8.5%. Even the Federal Reserve Board's preferred gauge of inflation, the Personal Consumption Expenditures Index, which generally runs cooler than the CPI, increased by 6.2% over a year ago. Whichever index one prefers, the conclusion is unmistakable that inflation is way, way above the Fed's supposed long-term target of averaging 2%.

Therefore, the Fed will likely raise the interest rates under its control several, perhaps many, more times before pausing in 2023 or 2024 to see if its hikes have slowed the economy enough to bring inflation down eventually to the 2% region. Wall Street seems to believe a terminal federal funds rate of 4.50% to 4.75% is in the cards; I think

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it is likely to be higher, with how much depending on the path of inflation over the next six months or so. At the peak in rates, the federal funds rate will likely have to be above the inflation rate to hit demand for goods, services and workers enough to get inflation down enough for the Fed's taste.

I'm also concerned about corporate earnings. With the broad market down about 25% year to date, current valuations look quite attractive. However, earnings have essentially been fine. Looking past the fourth quarter into next year, earnings could be considerably worse, a possibility most Wall Street analysts have not yet discounted into their models. This suggests that valuations that look somewhat attractive today may look less so in six months. Essentially, the Federal Reserve Board and likely lower earnings will be tough hurdles for the stock market to leap, even if electoral history and a more benign fiscal environment are on its side.

As a result of all of these countervailing factors, I am maintaining "neutral" equity allocations but attempting to manage risk by investing much more than usual in money market funds. I have eliminated considerable credit exposure in many accounts by reducing the exposure to floating rate loans, for example, which have helped relative performance lately but would be at risk of losses during a recession that may be precipitated by Fed policy and other factors. Most of the accounts are a mixture now of equity exposure, cash and a few income-oriented investments that I'd rather not sell at currently depressed prices.

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
Chief Investment Officer and Portfolio Manager