Sheaff Brock

Innovative Portfolios for Intelligent Investors™

MARKET UPDATE
November 2019

Benchmarks: The S&P 500 Index is a market capitalization-weighted index comprised of the 500 stocks with the largest market capitalizations trading in the United States, and the S&P Mid-cap 400 is the next largest 400 stocks. The Dow Jones Industrial Average is a price-weighted index of 30 giant American companies. These are not managed portfolios and do not reflect the deduction of fees or expenses; returns include dividends. The Barclays US Aggregate Bond Index is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market in the United States, including Treasuries, government-related and corporate securities, mortgage backed securities, asset-backed securities and CMBS (agency and non-agency). The CBOE S&P 500 Buy-Write Index (BXM) is a passive total return index based on buying an S&P 500 stock index portfolio, and selling the near-term S&P 500 Index (SPX) covered call option, generally on the third Friday of each month. The SPX call will have about a one month expiration, with an exercise price just above the prevailing index level, slightly out of the money. The BXM Index does not take into account significant factors such as transaction costs and taxes and, because of factors such as these, investors should be expected to underperform passive indexes. The BXM Index represents a hypothetical buy-write strategy. Benchmark returns include reinvestment of income, but do not reflect taxes, or other fees that would reduce performance. Performance information of benchmark indexes is included for comparison purposes only. Two general types of benchmarks are provided.. The first type is a well-known and widely-recognized index, such as the S&P 500 Index (described previously), and the Barclays US Aggregate Bond Index (described previously). These types of indices are not selected to represent an appropriate benchmark, but rather to allow for comparison of a composite's performance to that of a well-known and widely recognized index. The second type of index is a narrowly-focused (NF) index selected on one or more characteristics, such as asset class, style or strategy, geographic area, or sector, for example, similar to characteristics of a composite. Although a NF index may have characteristics similar to those of a composite, actual composite holdings will differ significantly from the securities that comprise an index. Consequently, use of a NF index does not indicate that a composite will achieve returns, volatility or other results similar to those of the index. The composition of a NF index will not reflect the manner in which a composite is constructed in relation to investment holdings, Portfolio guidelines, restrictions, sectors, correlations, concentrations, volatility or tracking error targets, all of which are subject to change over time. Comparison of a narrowly-focused index to a composite must be limited to the similar characteristics. Clients should NOT expect performance comparable to a narrowly-focused index in an actual account. (continued below)

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Fees are described in SBIA's ADV Part 2A. *Denotes partial year, with note reference. Prior to October 1, 2015 Preferred Income was sub-advised by Trust Investment Advisors, Indianapolis, IN. There is the chance that market conditions or portfolio performance may deteriorate in the future, and clients may experience real capital losses in their managed accounts. Portfolios are compared to the performance of various indices although the portfolio, which contains much fewer positions, may not reflect the securities making up these indices. None of the indices may be an appropriate comparison index as our managed accounts may own companies not represented in the benchmarks. All clients of SBIA who desire to participate in option transactions receive the option disclosure document, titled Characteristics and Risks of Standardized Options, which outlines the purposes and risks of option transactions. Despite their many benefits, options are not suitable for all investors. Individuals should not enter into option transactions until they have read and understood the risk disclosure document which can be obtained from their broker, any of the options exchanges, or OCC. All investment strategies carry risk, and transactions in options may carry a high degree of risk. Options derive their value from underlying equities or indices, and the derivative value is directly related to the underlying security, thus they carry many, if not more, of the same risks as the underlying equity or index. Sellers of options should familiarize themselves with the type of option (i.e. put or call) which they contemplate trading and the associated risks. You should calculate the extent to which the value of the options must increase for your position to become profitable, taking into account the premium and all transaction costs. Selling ("writing") an option generally entails greater risk than purchasing options. Although the premium received by the seller is fixed, the seller may sustain a loss well in excess of that amount. The seller will be liable for additional margin to maintain the position if the market moves unfavorably. Standstill option yield is calculated by dividing the aggregate annual option time decay by the aggregate account values. The yield is reflected gross of management fees. There were no other strategies employed to obtain the results portrayed other than those strategies disclosed in the SBIA ADV or other disclosure brochure. SBIA provides this Newsletter for general informational and educational purposes, and where appropriate, to assist in explaining the portfolios and composites. It is not investment advice for any person. Information is obtained from sources SBIA believes are reliable, however, SBIA does not audit, verify, or guarantee the accuracy or completeness of any material contained therein. The statements and opinions reflect the judgment of the firm, and along with the information from third-party sources and calculations, are made on the date hereof and are subject to change without notice. SBIA does not assume liability for any loss that may result from reliance by any person upon any material in this Newsletter. Clients or prospective clients are directed to SBIA's Form ADV Part 2A and to one or SBIA's representatives for individualized information prior to deciding to participate in any portfolio or making any investment decision. SBIA does not provide tax advice. Clients are strongly urged to consult their tax advisors regarding any potential investment. Past performance does not guarantee future results, there is always a possibility of loss.

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SheaffBriefs
Go to sheaffbriefs.com. Check out our blog.

> "You may delay, but time will not, and lost time is never found again."
> Ben Franklin

Two housekeeping items:

1. Many clients (especially those over 70) have a Required Minimum Distribution (RMD) from an IRA that must be taken out before year-end. If that is you, **GET ON IT!** The tax penalty for missing a withdrawal is a whopper.
2. If a form is sent from our office to you that requires you to do something (signature for example), please return the form to Sheaff Brock, not to TD Ameritrade. We put return envelopes in to make it simple for you. Here's the concept in a nutshell:

Sheaff Brock sends you a form → send back to Sheaff Brock. TD Ameritrade sends you a form → send back to TD Ameritrade.

Neither of these items are hard; more like...

Flicker.com/photos/whitehouse

These dudes get all the press. Also, notice how they look thrilled to be standing there. Stoked. By the amount of the air-time the China/U.S. "trade deal" sucks up, you would think it's the most important thing ever. The media gets very worked up about it and paints the picture that the future of the U.S.' economy, and even the global economy, hangs in the balance.

Here are some interesting *facts about exports,* stuff we sell:

1. China doesn't buy much from us. The total value of the U.S.' exports to China, stuff we sell to them, is about 0.5% of our total GDP. About 99.5% of our economy is selling stuff to ourselves or to other countries. Exports to China in 2019 will be about $110B. Our GDP is over $20 trillion; exports to China are just over 0.5% of it.
2. By far, our most important trading partners are Canada and Mexico. *It's not even close.* The amount of stuff we sell to Canada and Mexico is about equal to the next ten countries combined, inclusive of China. Exports look like this: Canada + Mexico = China + Japan + UK + Germany + Korea + Netherlands + Brazil + France + Belgium + India. See the table below for the details.
3. Our trade with other countries is the *biggest it has ever been*, and growing. Surprising, huh? Even with all of the trade brouhaha, the U.S. traded more in the trailing 12 months ending September 2019 than we traded in 2018, which was more than 2017, which was more than 2016, etc. See the blue mountain chart on the next page. →

Top Trading Partners - Exports - Sept. 2019

Rank	Country	YTD Exports	Percent of Total Exports
1	Canada	221.7B	18.00%
2	Mexico	194.1	15.80%
3	China	78.8	6.40%
4	Japan	55.4	4.50%
5	United Kingdom	51.2	4.20%
6	Germany	45.3	3.70%
7	Korea, South	42.1	3.40%
8	Netherlands	37.7	3.10%
9	Brazil	31.6	2.60%
10	France	27.9	2.30%
11	Belgium	26.5	2.20%
12	India	26.0	2.10%
13	Hong Kong	23.7	1.90%
14	Singapore	23.4	1.90%
15	Taiwan	22.8	1.90%

These two,

pretty much equal all of these combined.

This is why Congress will likely pass the Canada–Mexico (USMCA) trade agreement, if they haven't already by the time you read this.

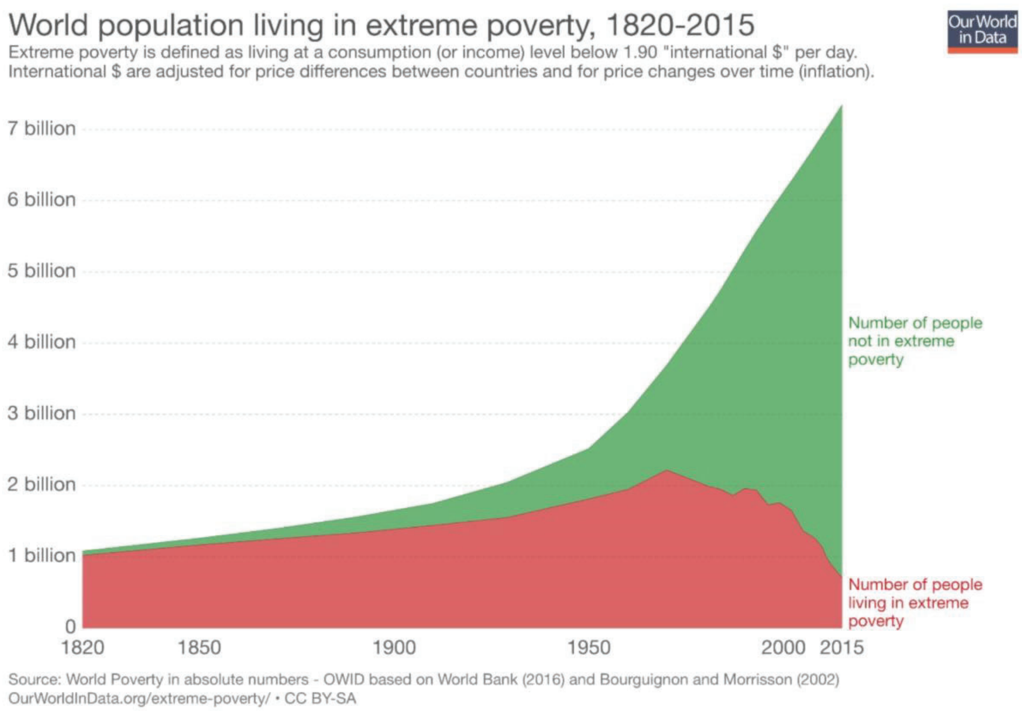
Source : US Census Bureau
www.census.gov/foreign-trade/statistics/highlights/toppartners.html

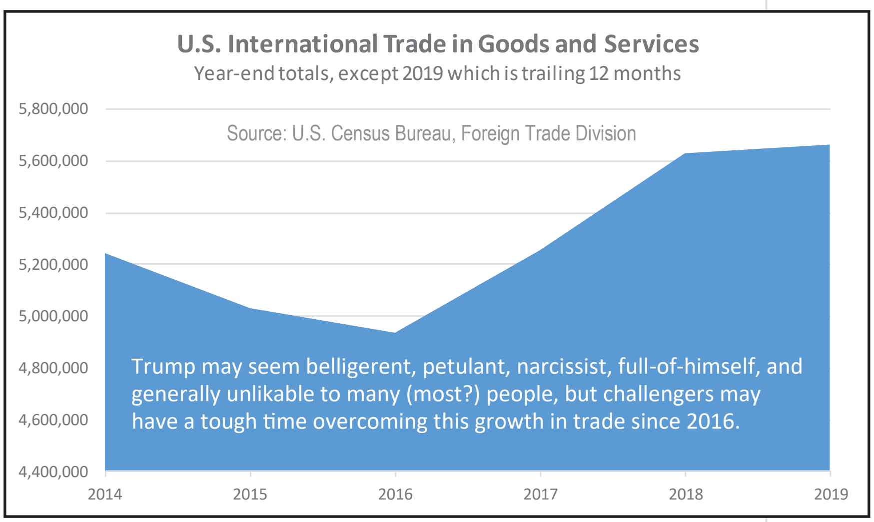
Tiffany's Financial Planning Tips! Tiffany VanHook serves our clients as a financial planner and estate specialist. Tiffany has many years of experience providing ultra-high-net-worth families financial and estate planning services. Her planning services are available for Sheaff Brock clients. Every month we share a planning tip or two:

- √ Have you experienced a relationship change? Has your asset base substantially increased (or decreased)? Have you changed your state of residence? If you answered "yes" to any of these, it's time to review your will! Let us help you review with a fresh set of eyes.
- √ If you have assets with multiple providers, don't keep them in a vacuum when it comes time to harvest gains (or losses). By working together, your advisors may have more opportunity to increase your net return through tax management. Need help with a consolidated review? We can help!

Who is the biggest beneficiary of global trade? Regular people, mostly in China and former Soviet countries. Hundreds of millions of people have emerged from poverty into middle-class lifestyles through access to global trade. According to The World Bank, 1.9 billion people lived in extreme poverty in 1990 (36% of the world's population), but the percent living in absolute poverty decreased to 630 million (8.3% of global population) in 2018. (Source; https://ourworldindata.org/extreme-poverty)

As the chart to the right shows, the most dramatic increase in wealth and decline in poverty has taken place since Mao's disastrous policies ended in 1982 and the fall of the Berlin Wall in 1989, creating wider access to global trade.





Portfolio Updates

Dividend Growth & Income

A decent October kept the year-to-date composite return above our benchmark, the Dow Jones Select Dividend Index, by a smidge (if 10 basis points counts as a smidge). The portfolio is fully invested in 25 stocks, and all but a couple have reported earnings. We are looking at tax harvesting to offset gains taken earlier in the year which may lead to a portfolio change between now and the start of a New Year's party.

Bulls of the Dow

Boom! The Bulls had a great October by starting the fourth quarter with a gain of 2.6% net-of-fees vs. 0.6% for our benchmark, the Dow Jones Industrials. We now have another solid year going, keeping the strategy ahead (net of maximum fee) of both the Dow Industrials *and* the S&P 500 over the last 1, 3, and 5 years. Index schmindex...they can be beat.

IntelliBuilD Growth™
If the portfolio can hold on through year-end IntelliBuilD will book its best year ever. Our proprietary *Investor's Business Daily* driven growth stock portfolio is having a good year; as of October beating the S&P 500 and Midcap 400 by a bundle (if 200 to 600 basis points counts as a bundle). Second verse, same as the first; index schmindex...they can be beat.

Twenty Under Thirty-Five
Similar to the Bulls of the Dow, **35/20** had a great October by punching above its weight for a monthly gain of 4.6% net-of-fees vs. 1.1% for our benchmark, the S&P 400. This twenty-position portfolio of lower-priced stocks (under $35 when purchased), populated with mid-cap and small-cap companies, is now ahead of the benchmark for the year. Third verse, same as the first; index schmindex...they can be beat.

Covered Call
Join the cheer, "WALLY, WALLY, WALLY!!" So far, 2019 has been worth cheering for. Our composite gained about 17.4% net-of-fees through October beating the CBOE Buy/Write Index by a gob (if 400 basis points is a gob). Fourth verse, same as the first; index schmindex...they can be beat.

Real Estate Income and Growth
Sheaff Brock's #2 offering year-to-date, which frankly is unusual for REITs. Real estate is normally slow-and steady. But this year, industrial warehouses, triple-net-lease, retail and cell tower holdings have turbocharged the portfolio.

Preferred Income
As of 11/19 according to our Bloomberg machine, preferred shares currently have the best after-tax yield of any fixed income sector including munis. Read that again. If you own muni bonds we can do an analysis of your portfolio and compare them to a preferred portfolio. A swap or two might increase your after-tax yield. Free look; no harm in looking.

Option overlay products are additive in return to other investments held in an account, and are not appropriate for all investors. Realized gains and losses can be very inconsistent. These are long-term strategies and may not produce capital gains over the short-term.

Put Income and Index Income Overlay
Through October, we couldn't be more pleased with our overlays. They both are delivering exactly what they are supposed to: incremental income on top of another portfolio. After 10 months, **Put Income** is just a smidge (2 basis points, which is definitely a smidge) behind its best full *year*. Higher quality stocks, a good market and in-house management; "Nice, nice, very nice", as Kurt Vonnegut, Jr. would say.

Index Income has been running as smooth as silk in 2019. Through October, this income augmentation strategy is well ahead of its best previous *full* year. Since inception, Index Income has successfully added a few percentage points return to an otherwise-invested portfolio. Some clients who layer this on top of portfolios like Bulls of the Dow or IntelliBuilD may be up signif......wait,...I think I hear them in the distance, "Sheaff Brock, Sheaff Brock, Sheaff Brock"!!

If you have any questions or comments regarding this letter, including any portfolio or composite, please contact our Chief Compliance Officer, Audrey Kurzawa at audreyk@sheaffbrock.com; you can also reach her, or any other Sheaff Brock representative, at 317-705-5700.

Style	Performance Update Portfolio	2019*	2018	2017	2016	2015	2014	2013	2012	2011
Fixed Income	**Preferred Income** - Preferred stocks	12.72	-5.66	7.44	1.58	5.47	14.29	-4.65	9.42	
Growth and Income	**Covered Call Income** - Quality stocks & covered calls	17.35	-10.38	12.96	6.16	-1.11	6.33	22.28	10.23	-11.09
	Dividend Growth & Income - Dividend paying stocks	17.88	-8.95	21.99	11.07	-7.27	5.04	36.23	12.17	5.62
	Real Estate Income & Growth - REITs/real estate stocks	25.54	-5.34	2.99*	*5/1/17 inception					
Growth	**IntelliBuilD™ Growth** - IBD growth stocks	25.64	-11.30	25.40	-2.85	2.53	7.47	11.56*	*10/1/13 Inception	
	Bulls of the Dow - 10 stocks of the Dow Jones 30 Indus.	19.01	4.51	33.76	9.35	0.96	11.41	24.35*	*2/1/13 Inception	
	Twenty Under $35 - 20 best scoring stocks under $35	19.75	-18.74	5.72*	*10/1/17 Inception					
Option Overlay	**Put Income** - Realized gains return	5.64	0.58	*5.66*	*0.21*	*-8.86*	0.55	4.04		
	Index Income - Cash-flow return	3.79	1.67	2.48	3.35*	*6/1/16 inception date				
	Index Income - Total return mark-to-market^	8.12	-3.59	2.46	2.49*					
	Index									
Large-Cap Stocks	S&P 500	23.18	-4.38	21.83	11.96	1.38	13.69	32.39	16.0	2.1
30 Giant Stocks	Dow Jones Industrial Index	18.19	-4.78	28.09	8.66	7.70	10.05	22.41		
Mid-Cap Stocks	S&P Mid-Cap 400	19.21	-11.10	14.45	18.73	-3.71	8.19	31.57	16.07	-3.10
Covered Index	CBOE S&P 500 Buy/Write	13.16	-5.26	13.00	7.06	5.24	5.64	13.26	5.20	5.72
Fixed Income	Barclays Aggregate Bond	8.86	0.02	3.54	2.65	0.55	5.97	-2.15	4.2	7.8

*Returns are through previous month-end. Composites include all fully discretionary accounts and consist of all client accounts that are at least 80% invested in the strategy. Returns are presented net of maximum management fees and all trading expenses, and the reinvestment of all income. Put Income results are only realized gains. Index Income total return reflects the realized and unrealized gain/loss including the reinvestment of cash-flow income from the options divided by the prior period ending composite value. Cash flow yield represents the cash received from the sale of index option premium divided by the average composite value. ^Returns have been restated to reflect the change in unrealized gain/loss on the option premiums. Returns are calculated using the highest fee to reduce the composite gross of fee return to obtain the composite net of fee return. An analysis is performed on a quarterly basis to determine the highest fee paid in the portfolio as the highest fee paid may change over time . (continued on opposite page)