Sheaff Brock

Innovative Portfolios for Intelligent Investors™

FA 100 CNBC — 2020 recipient of CNBC's Top 100 Advisors in America

The upcoming Indy 500, with 135,000+ in attendance, will be the highest attended sporting event in the world for the last 17 months.

MARKET UPDATE

May 2021

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 Bloomberg 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 Bloomberg 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.

The 2020 CNBC FA 100 list is an independent ranking. CNBC enlisted data provider AccuPoint Solutions to assist with the ranking of registered investment advisors for the 2020 CNBC FA 100 list. The analysis started with 37,369 registered investment advisors. AccuPoint screened the list down to approximately 750 registered investment advisors that were required to complete a survey to be in consideration for the 2020 CNBC FA 100 list. Neither the registered investment advisor nor their employees paid a fee for the listing. Data points used by AccuPoint for the ranking included disclosures, number of years in the business, number of employees, number of investment advisors registered with the firm, ratio of investment advisors to total number of employees, total assets under management, percentage of discretionary assets under management, total accounts under management, number of states where the RIA is registered and country of domicile. Third-party rankings and recognition from rating services or publications, such as the 2020 CNBC FA 100, is no guarantee of future investment success and working with a highly rated advisor does not ensure that a client or prospective client will experience a higher level of performance or results. The ranking may not reflect a client or prospective client's experience with the registered investment advisor. Past performance does not guarantee or indicate future results.

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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.

Publication: 5/15/2021

Sheaff Brock

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Have a friend, adult child, or rich friend who might like to receive this monthly letter? Let us know and we'll add them to the list.

"Talk is cheap - except when Congress does it."

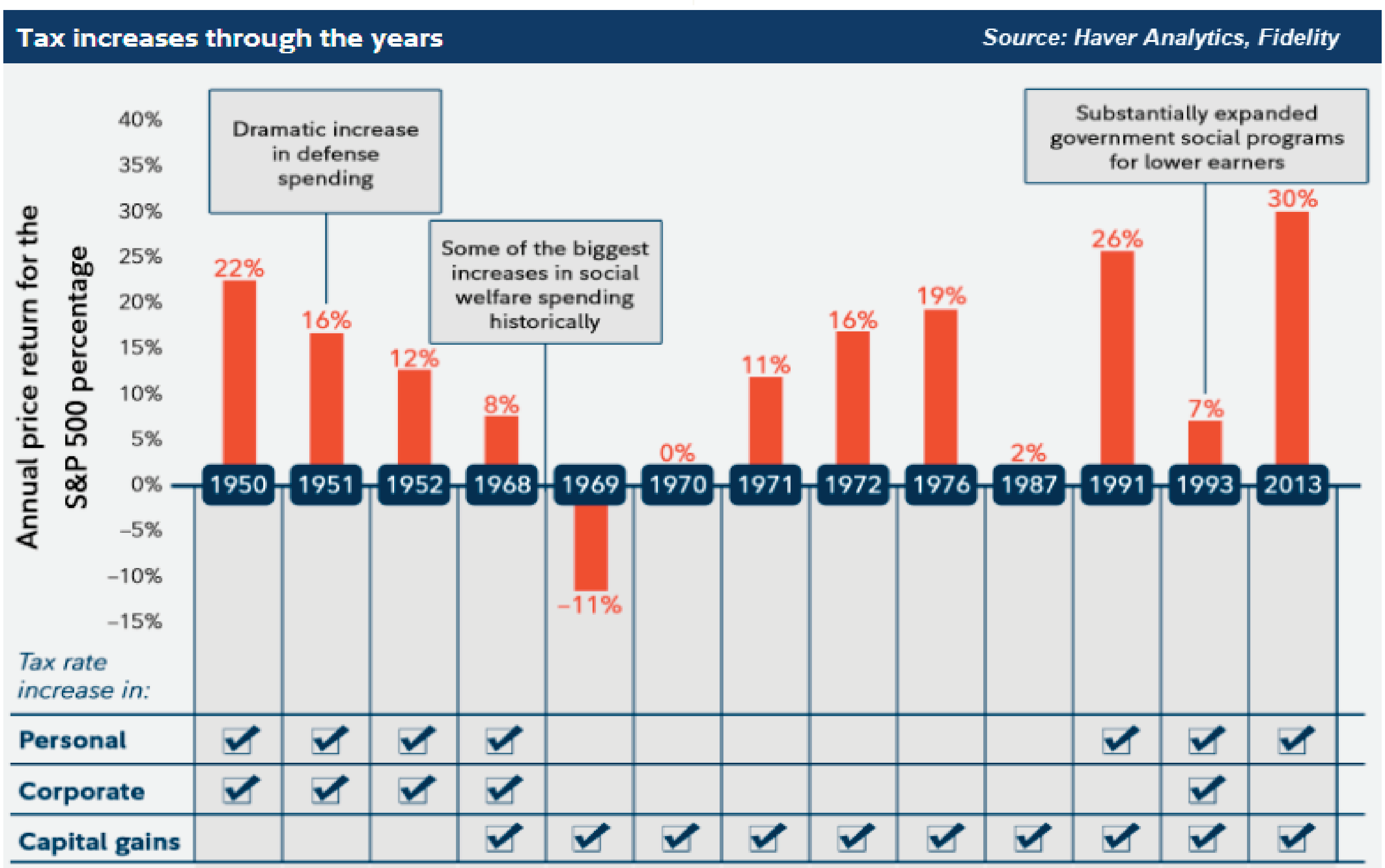
Cullen Hightower

They say talk is cheap, but it can be terribly expensive. Take President William Henry Harrison. His inauguration speech was very long. At 8,445 words, he took two hours to read it, without a coat. And March 4th, 1841 was cold and wet. The speech cost him dearly. He caught pneumonia and died a month later. Harrison holds two dubious records – the longest inauguration speech and the shortest presidency.

Reacting to words spoken on the news can be very punishing to your investment portfolio, and maybe to your retirement income. Mass media news, including financial networks, in our opinion, are more infotainment than information. In fact, some people call financial news channels "financial pornography". Headlines are emotionally charged to attract eyeballs; and for good reason, since news organizations need to make money by selling ads. No eyeballs = no revenue. Hence, we're awash with sensationalism to scare us into staying tuned. Humans are emotional, so it works without us even knowing why.

There are periodic fears that stress out investors causing volatility and scary headlines. Corrections caused by headlines are often relatively short-lived. Last year's pandemic-fueled correction was awful at the time, and lasted a few weeks, but when investors realized the Fed was serious and learned pandemics eventually end, rational thinking returned. Sometimes markets are lousy for months instead of weeks, but long-term, stocks usually care less about the latest crisis stories.

A current fear, which may percolate in the news through the summer, is the proposed tax law changes. There have been a LOT of scary headlines, but guess what? Tax laws have changed many times in the past, and usually tax rates have increased. After all, governments have an insatiable appetite.



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. Every month we share a planning tip or two:

With the craziness surrounding the housing market, here are a few things to consider if you're looking to buy a home:

- In setting your price, make sure to keep your mortgage payment less than 28% of your gross monthly pay, and your total debt less than 36% of your gross pay.
- Include the cost of repairs & maintenance in your cash flow as you plan your new home budget.
- To help give you the best chance of having a winning offer in such a competitive market, make sure you're pre-approved and have cash ready & documented with account statements.

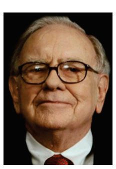
SO FAR, SO GOOD

Our return rate is high, thank-you! More of you will soon get the chance to participate. You may receive, by either email or snail-mail, a letter and form to return to help us with a project. If by email, it will be a DocuSign form, whereas snail-mail will include paper forms. We would appreciate it if you could sign and return the forms el-pronto. The purpose of this is to consolidate the "money management" portion of our business into our wholly owned sister company, Innovative Portfolios, for institutional asset management reasons.

We want to assure you that nothing changes on your end - the management remains the same, your ability to interact with anyone at the firm remains intact, and costs don't change one penny. The same people will continue to manage your assets and Sheaff Brock is still your advisor; Innovative Portfolios will simply be acting as a sub-advisor to Sheaff Brock, and again, we own both. *Literally nothing changes in the management of your accounts.* When you get the forms, please sign and return them. THANKS!

Here is a chart showing each time tax rates increased on corporations, individuals, or capital gains since 1950. It also shows what the S&P 500 did the year the tax increase was signed into law. The average gain for the stock market was +12% during those years, and only once did the S&P 500 go down. Tax increases don't kill bull markets.

The proposed capital gains tax increases have a lot of folks' shorts in a wad. According to Goldman Sachs, during the four capital gains tax increases in the last half-century, the S&P 500 fell about –3% in the 6-months leading up to the law's passage. But during the 6-months after the law passed, the S&P 500 gained an average of +15%.

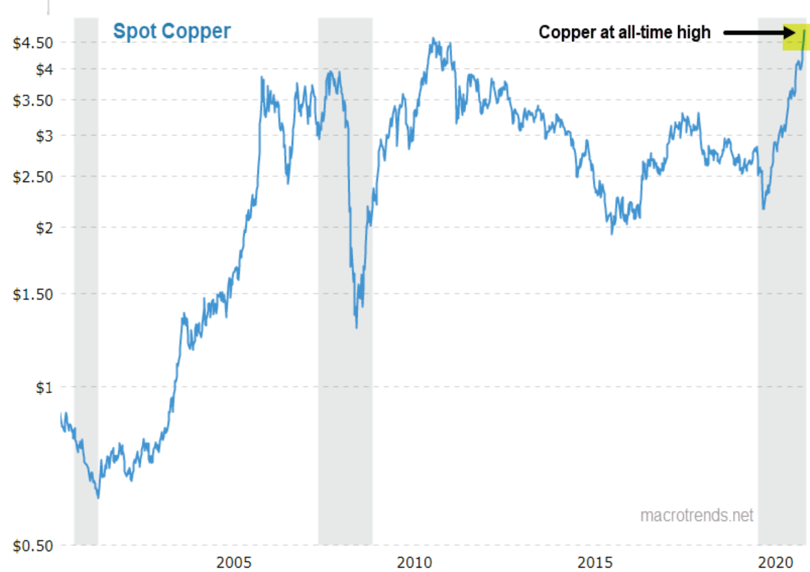


The market's lackadaisical reaction to tax rates was explained in 2012 by Warren Buffett in a *New York Times* article where he wrote, *"Suppose an investor you admire and trust comes to you with an investment idea. 'This is a good one,' he says enthusiastically. 'I'm in it, I think you should be, too.' Would your reply possibly be this? 'Well, it all depends on what my tax rate will be on the gain you're saying we're going to make. If the taxes are too high, I'd rather leave the money in my savings account, earning a quarter of 1 percent.'"*

The global economy is a good policeman of tax rates. Politicians should realize that money flows to where it is treated the best. If taxes treat it poorly in the U.S., capital will flow elsewhere. For that reason, prior to the bill-signing ceremony in the Rose Garden, the proposed tax law changes will likely be watered down so politicians can get reelected. They all yammer-on about "jobs", but the only job most of them really care about is their own, and that job is not to serve the public, but to get reelected.

Portfolio Updates

Overall earnings reports have been WAY better than expected, leading to a blow-out earnings season. That said, the stock market is running hot and may need a pause to catch its breath. There is a belief that the price of copper tells you everything about the strength and direction of the economy. It's been such a good predictor that some pundits refer to it as "Dr. Copper". Based on that, the economy should continue rockin' since copper just hit an all-time high.



Dividend Growth & Income

Dividend payers, dividend raisers, and growing companies are what we buy and own. We recently sold one position and are sitting on a little cash, which will likely be deployed sooner-than-later. Through today, our composite of accounts is having a good year.

Bulls of the Dow

Ten stocks with the best "downside risk" scores from the thirty Dow Jones Industrials (DJIA). The April rebalance added four stocks: Dow, JP Morgan, Microsoft, and Travelers. The strategy's performance has started to show improvement, possibly due to the shift in favor of value stocks.

IntelliBuilD Growth™

33 positions, growth stocks from *Investor's Business Daily*. Growth stocks (which make up 100% of this), especially technology stocks (or largest sector weighting), have been limping along struggling to keep up. Year-to-date through 5/10/21, some holdings have excelled: Marine Max +55%, LPL Financial +49%, and Crocs +47%. Some have done poorly: PTC –10%, Formfactor –10%, and Synopsys—7%. In aggregate, the strategy is holding its own vs. competitors.

Outlier Growth

These are stocks showing multiple instances of unusually large buy-side volume over previous months, then filtered by growth and downside-risk scores. The strategy is still a baby, only 6 months old, but as of 5/10/21 our average holding period is 153 days and our average gain per stock is 18%.

Covered Call

Unlike some covered-call managers, when we put on a position we hope to get called out of it. This has been a benefit in 2021. The largest holdings in the accounts are P&G, Apple, Cisco, Applied Materials, and J&J; solid batting lineup.

Real Estate Income and Growth

REITs are having a great year, but STILL may be the best-valued reopening play with income. People are returning to offices and shopping. Plus data-farms, e-commerce warehouses, and cell towers are humming, all good for our REITs.

Preferred Income

Preferred stocks are one of the few places you might earn around 4% income without going into *junk* bonds or emerging market bonds.

Put Income and Index Income Overlay

The strategy objective is to manufacture cash-flow in exchange for the investor accepting some additional volatility in their existing portfolio. Our hope is to create incremental income/capital gains on top of another portfolio by selling index put credit spreads or put options on equities. 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 - At 8+%, it's a helluva start to the year. As Forrest Gump put it, "That's all I have to say about that."

Index Income - Our goal is to manufacture cash from volatility. Period. The VIX volatility index recently spiked back over 20 elevating SPY premiums. At about 1.8%, so far 2021 has been well above average. Forrest Gump likely agrees.

If you have 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 Net-of Maximum-Fee	2021	2020	2019	2018	2017	2016	2015	2014	2013
Fixed Income	**Preferred Income** - Preferred stocks	0.16	6.75	13.62	-5.66	7.44	1.58	5.47	14.29	-4.65
Growth and Income	**Covered Call Income** - Quality stocks & covered calls	10.17	8.79	23.73	-10.36	12.95	6.16	-1.01	6.36	22.28
	Dividend Growth & Income - Dividend paying stocks	12.23	5.30	26.48	-8.95	21.99	11.07	-7.27	5.04	36.23
	Real Estate Income & Growth - REITs/real estate stocks	18.08	-3.82	24.50	-5.41	2.77*	*5/1/17 inception			
Growth	**IntelliBuilD™ Growth** - IBD growth stocks	9.26	21.65	32.79	-11.30	25.40	-2.85	2.53	7.47	
	Bulls of the Dow - 10 stocks of the Dow Jones 30 Indus.	5.59	4.80	28.68	4.51	33.76	9.35	0.96	11.41	
	Outlier Growth - Unusual volume & growth metrics	7.32	12.86*	*10/31/20 Inception. Short-term returns may be unreliable vs. long-term						
Option Overlay	**Put Income** - Realized gains return	8.08	-0.47	7.25	1.73	*5.65*				
	Index Income - Cash-flow return	1.85	6.37	4.69	1.67	2.48	3.35*	*6/1/16 inception date		
	Index Income - Total return mark-to-market^	1.76	2.22	8.99	-3.59	2.46	2.49*			
	Index									
Large-Cap Stocks	**S&P 500**	11.85	18.40	31.50	-4.38	21.83	11.96	1.38	13.69	32.39
30 Giant Stocks	**Dow Jones Industrial Index**	11.30	9.73	25.35	-4.78	28.09	8.66	7.70	10.05	22.41
Mid-Cap Stocks	**S&P Mid-Cap 400**	18.45	13.10	26.21	-11.10	14.45	18.73	-3.71	8.19	31.57
Covered Index	**CBOE S&P 500 Buy/Write**	6.59	-2.76	15.67	-5.26	13.00	7.06	5.24	5.64	13.26
Fixed Income	**Bloomberg Barclays Aggregate Bond**	-2.61	7.50	8.73	0.02	3.54	2.65	0.55	5.97	-2.15

*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 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 . Fees are described in SBIA's ADV Part 2A. *Denotes partial year, with note reference. (continued on opposite page)