

(Continued from page 4) Performance presented are time-weighted returns. Valuations and performance is reported in U.S. dollars. Composite performance is presented on gross-of-fees and net-of-fees basis and includes the reinvestment of income (dividends/interest). Gross-of-fees returns are presented before management and custodial fees but after all trading expenses. Net-of-fees returns are calculated by deducting a model management fee of 0.3125, ¼ of the highest annual management fee of 1.25%, from the quarterly gross composite return. Actual advisory fees incurred by clients may vary.

Performance information of widely recognized indexes is included to for comparison purposes and to reflect material market conditions. Composites are compared to the performance of various indices although the Composite, which contains much fewer positions, may not reflect the securities making up these indices. The 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. An index is not available for direct investment and does not reflect any of the costs associated with buying and selling individual securities or management fees, the incurrence of which would have the effect of decreasing historical performance results.

Indexes: *The S&P 500 Index* is a market capitalization-weighted index comprised of 500 stocks of the largest publicly traded U.S. companies. *The Dow Jones Industrial Average Index* is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and NASDAQ. *The S&P MidCap 400 Index* is a value weighted index comprised of mid-sized companies with total market capitalization from \$750 million to \$ billion. *The CBOE S&P 500 BuyWrite Index* is an index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index. It is a passive total return based on (1) buying an S&P 500 stock index portfolio, and (2) "writing" (or selling) the near-term S&P 500 Index "covered" call option, generally on the third Friday of each month. The S&P 500 Index call written will have about one month remaining to expiration, with an exercise price just above the prevailing index level (i.e., slightly out of the money). The S&P 500 Index call is held until expiration and cash settled, at which time a new one-month, near-the-money call is written. *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).

*Cash flow yield represents the cash received (premiums) from the sale of index put credit spread options divided by the average composite value. Realized gain/loss return represents the realized gains/losses on the sale of put options divided by the average composite value. Information is presented gross and net of investment management fees. Net-of-fees is calculated by deducting a model management fee of 0.3125, ¼ of the highest annual management fee of 1.25%, from the quarterly gross cash flow yield or realized gain/loss.

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.

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

"Love is the only gold."
Alfred Lord Tennyson

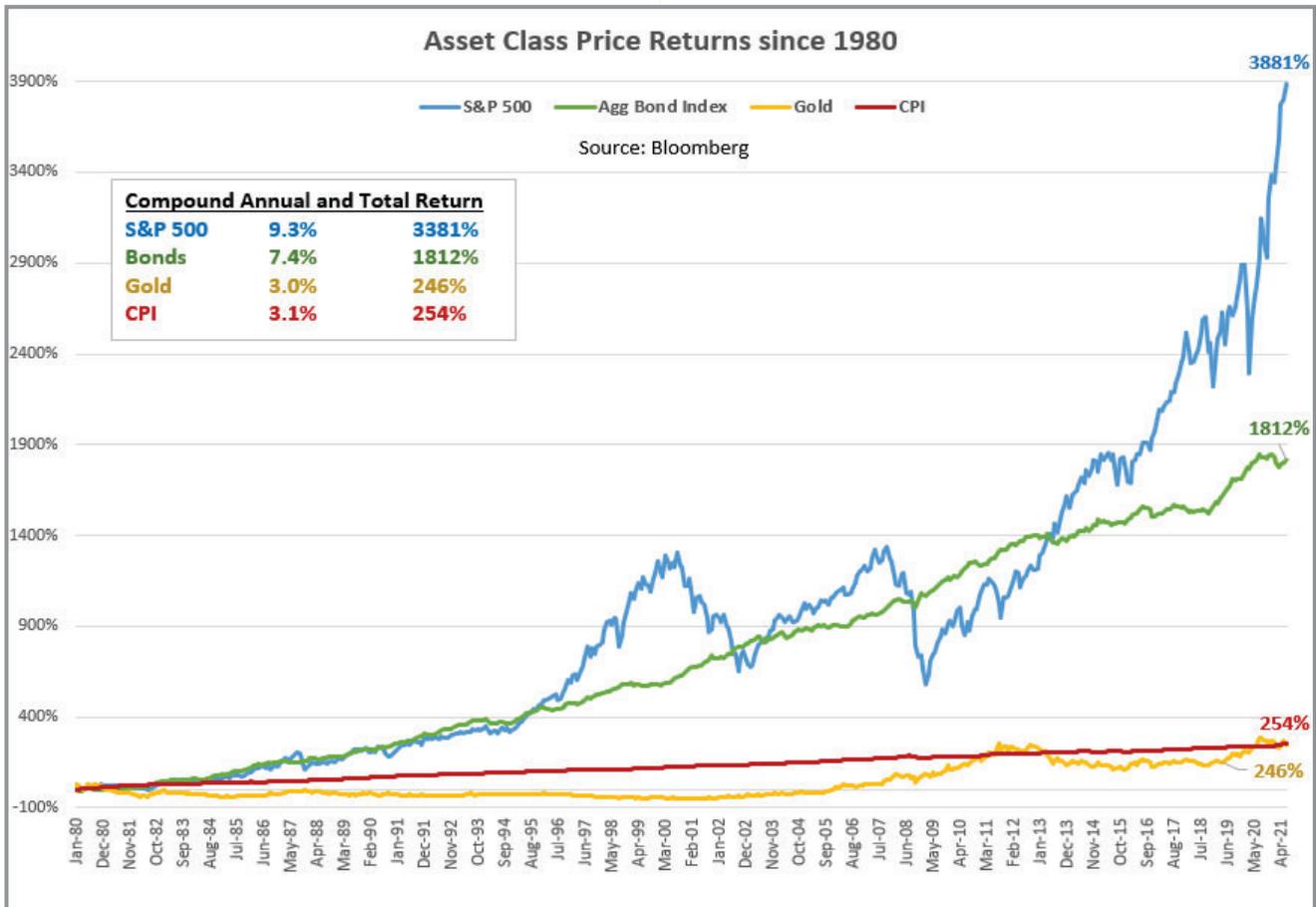
Gold as an Inflation Hedge? What a joke!

Gold sucks. It's fine for jewelry or as a symbol for love, but as an investment, or an inflation hedge, gold really sucks (frankly I'm surprised these sentences made it through compliance). The story that gold beats inflation is a myth.

In the summer of 1971, Richard Nixon "closed the gold window" stopping the U.S. dollar from being pegged to gold at \$35 per ounce. During the rest of the 70's, gold had a spectacular 12-fold price gain, its glory-days in hindsight. Then came a 20-year decline in prices until 2000. From 2000-2010, gold had another solid price gain, and then another decade of treading water. In the last five decades, gold has had two run-ups in price. Other than those two periods, returns are suckyish.

The U.S. stock market has been a MUCH, MUCH better inflation hedge, three to four times better than gold! As you can see in the chart since 1980, gold hasn't even beat inflation! Told you it sucked. The CPI has gone up 3.1% annualized, gold has risen at a 3.0% annualized rate, while the S&P 500 smoked them all at 9.3% annually. And the S&P 500 return doesn't include dividends, which would have added another 2.7%, bringing the stock market up to over 12% annual returns.

Warren Buffett summed it up pretty well. In a 1998 Harvard speech, Buffett famously said that gold "has no utility." "Gold gets dug out of the ground in Africa, or someplace. Then we melt it down, put it back in the ground (Federal Reserve vault), and pay people to stand around guarding it. It has no utility. Anyone watching from Mars would be scratching their head," he said.





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

- Don't be afraid to have a financial check in with your parents. Are their estate documents up to date? How do they want to manage their care in the event of a long-term care event? Have they updated their estate documents and beneficiary designations in light of the SECURE Act's changes to inherited IRAs? Having these conversations may be awkward, but doing so before it's too late can give everyone some much needed peace of mind.

Fun fact: All of the gold ever mined would fit into a cube the size of a six story building.



Source: World Gold Council, gold.org

Today, the airwaves are besieged with talk of inflation. Discussions on whether it is "transitory" (a word I had never heard until this year), whether the huge government spending will launch inflation up like a billionaire's rocket, or whether inflation will be persistent and permanent fill the on-air chatter. The fear of inflation and the belief in the myth of gold being an inflation hedge is why some people (including some of you) want to load up on gold. As an investment, gold is fool's gold.

Portfolio Updates

The 2nd quarter's "earnings season" is in the books. It was the best quarter for S&P 500 earnings in over 30 years, and it may be the best for the rest of your life! Our stocks delivered solid numbers and we are happy with year-to-date performance.

Dividend Growth & Income

Dividend payers, dividend raisers, and growing companies are what we buy and own. Recently, we added Williams-Sonoma (WSM) to the portfolio. They also own Pottery Barn and West Elm and are benefitting from the housing boom. As of 8/15/21, the portfolio sports an average dividend yield of 2.33%, which is more than 100 basis points above the S&P 500, and total return through July is better too. Win-win.

Bulls of the Dow

Ten stocks with the best "downside risk" scores from the thirty Dow Jones Industrials (DJIA). As usual, July was rebalance month. Additions were Home Depot, Visa, and Walmart.

IntelliBuild Growth™

33 positions, growth stocks from *Investor's Business Daily*. The IBD stocks were sort of laggards until about June, but

since then have found the accelerator.

Outlier Growth

Stocks with very large buy-side volume over previous months, then filtered by growth and downside-risk scores gain entry into the portfolio. Currently, the portfolio includes some household names like Alphabet, Facebook and PayPal, as well as unknowns like Revolve, Entegris, and Dynatrace. Eclectic.

Covered Call

Unlike some covered-call managers, when we put on a position we hope to get called out of it; sort of a constant portfolio refresh. So far, 2021 is solid, similar to the last 1, 3, 5, and 10 years.

Real Estate Income and Growth

Through July, REITs have been smokin' hot. The combination of income/growth/inflation hedge has attracted interest. It continues as Sheaff Brock's best performer through July.

Preferred Income

Preferred stocks just keep on keepin' on compared to most other fixed income offerings. They are still one of the few places you might earn around 4+% income.

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 - Repeating last month's comments, 2021 is going very well for Put Income. As of today, we have few "problem children" positions. Some clients are complaining about the taxes they might owe on this year's capital gains. Isn't making money what we are supposed to do? As our Commander in Chief might express it, "Come on man!"

Index Income - The goal is to manufacture cash from volatility over a long period of time. Period. And the cash generated is in addition to the returns earned in the underlying portfolio. Over time, an extra 3% to 5% can add up. The market has mostly been in an uptrend for the last year, which has helped the consistency of cash-flow. Stocks are a bit overdue for a correction. That's OK, pullbacks just make us dance faster.

INNOVATIVE portfolios® Performance[^]

Style (as of 7/31/2021)	(Average Annual) (%)	Year to Date	1 Year	3 Year	5 Year	10 Year
Fixed Income	Preferred Income Gross	3.26	11.15	6.92	5.13	-
	Preferred Income Net	2.30	9.77	5.62	3.84	-
Growth & Income	Covered Call Income Gross	15.27	34.23	11.64	11.47	9.16
	Covered Call Income Net	14.21	32.56	10.26	10.10	7.82
	Dividend Growth & Income Gross	19.86	47.48	13.01	14.40	13.00
	Dividend Growth & Income Net	18.77	45.67	11.62	13.00	11.62
	Real Estate Income & Growth Gross	27.53	44.87	12.99	-	-
	Real Estate Income & Growth Net	26.39	43.13	11.62	-	-
Growth	IntelliBuild® Growth Gross	15.88	37.48	17.55	17.02	-
	IntelliBuild® Growth Net	14.82	35.78	16.13	15.60	-
	Bulls of the Dow Gross	11.64	20.19	14.87	17.92	-
	Bulls of the Dow Net	10.61	18.69	13.46	16.48	-
	Outlier Growth Gross ¹	18.26	¹ 11/1/2020 inception. Short-term returns may be unreliable vs. long-term.			
	Outlier Growth Net ¹	17.17				
Option Overlay	Index Income - Cash Flow Gross*	4.61	9.39	6.36	5.59	-
	Index Income - Cash Flow Net*	3.64	8.04	5.05	4.28	-
	Index Income Total Return Gross	4.49	9.48	4.41	4.14	-
	Index Income Total Return Net	3.52	8.11	3.13	2.86	-

Index Returns	(Average Annual) (%)	Year to Date	1 Year	3 Year	5 Year	10 Year
Large-Cap	S&P 500®	17.99	36.45	18.16	17.35	15.35
30 Giant Stocks	Dow Jones Industrial Average	15.31	34.79	13.72	16.30	13.88
Mid-Cap	S&P MidCap 400	18.00	46.99	12.64	13.42	12.85
Covered Calls	CBOE S&P 500 BuyWrite	11.66	23.16	4.52	6.98	7.14
Fixed Income	Bloomberg Barclays US Aggregate Bond	(0.50)	(0.70)	5.73	3.13	3.35

Sheaff Brock® Performance[^]

Style (as of 7/31/2021)	(Annual) (%)	Year to Date	2020	2019	2018	2017
Option Overlay	Put Income - Realized Gain Gross*	10.80	0.78	8.50	2.98	6.90
	Put Income - Realized Gain Net*	9.87	(0.47)	7.25	1.73	5.65

Returns for the Put Income strategy are presented from the period (annual) after the strategy was no longer sub-advised.

Index Returns	(Annual) (%)	Year to Date	2020	2019	2018	2017
Large-Cap	S&P 500®	17.99	18.40	31.49	(4.38)	21.83

Performance data quoted represents past performance. Past performance does not guarantee future results.

[^]Effective December 2018, Sheaff Brock Investment Advisors, LLC (SBIA) engaged Innovative Portfolios, LLC (IP), a wholly owned subsidiary of our parent company, as a sub-advisor to manage the above listed IP strategies. Performance prior to January 1, 2021, occurred while the investment management team was affiliated with SBIA. The investment management team has managed the composite since its inception, and the investment process has not changed. The IP historical performance has been linked to performance earned at SBIA.

SBIA provides the Newsletter for general informational and educational purposes, and where appropriate, to assist in explaining the composites. It is not investment advice for any person. The information provided should not be considered a recommendation to purchase or sell any particular security. It should not be assumed that any securities transaction or holding discussed was or will prove to be profitable, or that the investment recommendations or decisions in the future will be profitable or will equal the investment performance of the securities discussed herein. 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 is no guarantee of future performance and there is a risk of loss of all or part of your investment. Individual client performance returns may be different than the composite returns listed. Changes in investment strategies, contributions or withdrawals, and economic conditions may materially alter the performance of your portfolio. Different types of investments involve varying degrees of risk, and there can be no assurance that any specific investment or composite will be suitable or profitable for a client's portfolio. Individuals should not enter into option transactions until they have read and understood the risk disclosure document titled, Characteristics and Risks of Standardized Options which can be obtained from their broker, any of the options exchanges, or OCC. (Continued on page 1)