

3-Year Recipient: CNBC Top 100 Financial Advisors in America

(Continued from page 4) 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.

Benchmark Indexes: *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. *Dow Jones Industrial Average (DJIA)* is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ. *Dow Jones U.S. Select Dividend Index* is an index of the leading 100 U.S. stocks by dividend yield, subject to screens for dividend-per-share growth rate, dividend payout ratio and average daily trading volume. *Dow Jones U.S. Select REIT Index* is an index designed to track the performance of publicly traded REITs and REIT-like securities and serve as a proxy for direct real estate investments, in part by excluding companies whose performance may be driven by factors other than the value of real estate. *ICE BofA Core Plus Fixed Rate Preferred Securities Index* is an index designed to track the performance of fixed rate U.S. dollar-denominated preferred securities issued in the U.S. domestic market with a rating of at least B3 and an investment-grade country risk profile. *Russell 3000* is a market-capitalization-weighted equity index that provides exposure to the entire U.S. stock market, tracking 3,000 of the largest U.S. traded stocks. *S&P 500 Index* is a market value weighted index comprised of 500 of the largest publicly traded U.S. companies. *S&P U.S. Preferred Stock Index* is an index designed to measure the performance of the U.S. preferred stock market and consists of U.S. preferred stocks with a market capitalization greater than \$100 million and a maturity of at least one year or longer.

An index should only be compared with a mandate that has a similar investment objective. 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. There can be no assurances that a composite will match or outperform any particular benchmark.

+Inception represents a blended benchmark which consists of S&P U.S. Preferred Stock Index prior to April 1, 2012 and the ICE BofA Core Plus Fixed Rate Preferred Securities Index thereafter. *Composite performance is calculated on overlay exposure, which is the notional value of the strategy being managed. Performance presented are arithmetic returns and do not include income (dividends/interest) or appreciation/depreciation from the underlying collateral. **Cash flow yield represents the cash received (premiums) from the sale of index put credit spread options divided by the beginning composite overlay exposure (notional value). ^Realized gain/loss returns are arithmetic returns calculated on the realized gains/losses on the sale of put options divided by the average account value for the period. ^^Effective October 31, 2016, Put Income was managed by SBIA and as such, the returns reflect performance from that period forward.

The 2022 CNBC Financial Advisor 100 (10/4/22) list is an independent ranking. CNBC enlisted data provider AccuPoint Solutions to assist with the ranking of registered investment advisors for the CNBC FA 100 list. The analysis started with 39,818 RIA firms for 2022 from the Securities and Exchange Commission regulatory database. AccuPoint screened the list down to 904 RIAs who were required to complete a survey to be in consideration for the CNBC FA 100 list. Neither the registered investment advisor nor their employees pay a fee for the listing. Data points used by AccuPoint for the ranking included regulatory/compliance record, number of years in the business, number of certified financial planners, 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 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.



Innovative Portfolios for Intelligent Investors®

HEY!

Got your attention. Do you watch our monthly portfolio update Zoom meetings? You should. If not live, watch the recording.

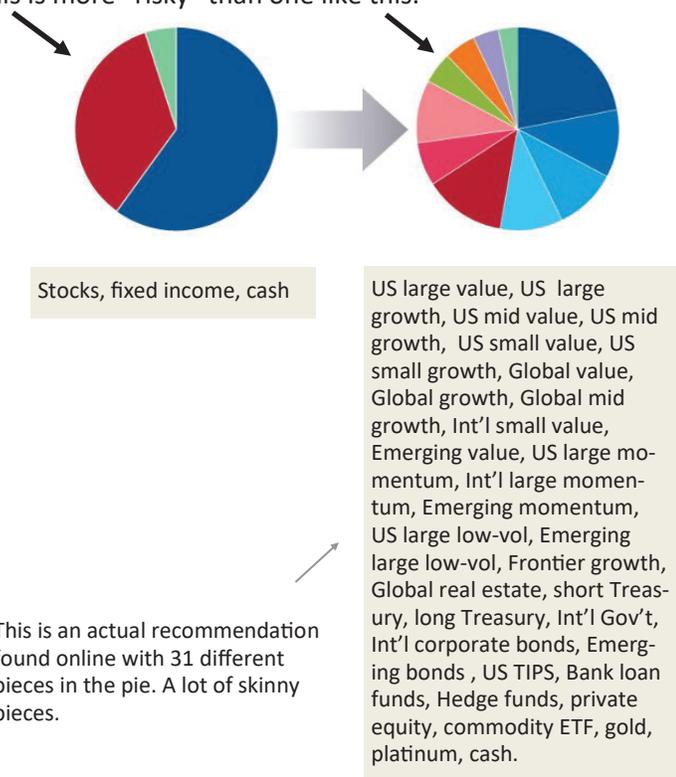
“Diversification is protection against ignorance, but if you don’t feel ignorant, the need for it goes down drastically.”

Warren Buffett

One thing we are seeing in living color is the failure of crypto’s benefit to an investment portfolio’s diversification. The price collapse of some crypto currencies, and the companies that make markets in them, has been fast and wicked. Sheaff Brock does not invest in crypto assets, like Bitcoin, for our clients. We chose early on to stick to simple, liquid, U.S. based, and low-cost-to-hold assets for our strategies.

Periodically, we have clients ask why we don’t diversify client portfolios more with foreign stocks, emerging markets, foreign bonds, etc. More diversification is better, right?

Conventional wisdom leads people to think a portfolio like this is more “risky” than one like this.



This is an actual recommendation found online with 31 different pieces in the pie. A lot of skinny pieces.

The complex, super-diversified blend might bounce around less in price because the investments could have low correlation, but returns would likely be muted too. Besides, complexity often adds opaque costs to the investor. At Sheaff Brock we prefer simplicity, transparency, and sticking to things we know something about.

COUNTRY STOCK INDEXES - TOTAL RETURNS vs DRAWDOWNS (%)

Return: Total Return (%) - DD: Maximum Drawdown (%)

Last Update: 31 October 2022

ETF	3Y		5Y		10Y	
	Return	DD	Return	DD	Return	DD
United States VTI	+31.91	-24.81	+59.60	-24.81	+222.21	-24.81
Ireland EIRL	+0.31	-39.15	-3.84	-39.15	+116.80	-39.15
Taiwan EWT	+15.17	-37.46	+24.54	-37.46	+110.42	-37.46
Netherlands EWN	+6.23	-41.29	+12.77	-41.29	+106.53	-41.29
Argentina ARGT	+46.49	-38.17	+2.81	-55.87	+103.48	-55.87
Switzerland EWL	+7.12	-27.53	+25.21	-27.53	+92.60	-27.53
New Zealand ENZL	-10.41	-37.29	+10.49	-37.29	+83.77	-37.29
France EWQ	+3.09	-29.04	+8.13	-29.04	+78.91	-29.04
Israel EIS	+13.35	-25.74	+31.27	-25.74	+72.89	-25.74
Belgium EWK	-10.35	-32.34	-15.14	-32.96	+61.86	-32.96
Japan EWJ	-10.09	-28.85	-7.19	-28.85	+61.59	-28.85
Sweden EWD	+3.87	-40.26	+0.45	-40.26	+53.41	-40.26
Canada EWC	+22.12	-26.90	+27.86	-26.90	+43.76	-34.11
Australia EWA	+4.14	-31.36	+14.44	-31.36	+34.98	-31.36
Austria EWO	-10.81	-37.60	-17.82	-47.58	+34.80	-47.58
Italy EWI	-9.46	-32.87	-8.54	-33.30	+29.05	-35.53
United Kingdom EWU	-4.17	-29.97	-2.80	-29.97	+19.80	-29.97
Germany EWG	-17.31	-41.66	-24.69	-41.66	+19.76	-41.66
Hong Kong EWH	-26.86	-40.35	-24.13	-40.35	+17.02	-40.35
Thailand THD	-18.17	-34.39	-14.73	-39.98	+15.14	-39.98
Spain EWP	-15.59	-32.46	-23.84	-38.72	+9.95	-41.58
South Korea EWY	-7.53	-48.08	-23.92	-48.08	+5.67	-48.08
Mexico EWW	+21.41	-38.18	+12.65	-43.79	-5.92	-56.14
Philippines EPHE	-29.56	-35.06	-32.42	-40.64	-18.21	-43.71
China FXI	-45.89	-56.74	-48.84	-56.74	-28.11	-56.74

Source: lazyportfolioetf.com/world-country-indexes-returns/

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. A tip or two for this month:

'Tis the season to be giving.

- ◆ *Cut-off dates for 2022 charitable contributions of securities are rapidly approaching. Don't delay!*
- ◆ *If you are going to gift money this year, the annual exclusion gift amount is \$16,000 per person, per recipient. A married couple could gift a total of \$32,000 to one person and not impact their lifetime exemption. If you are going to do this look into filing a Form 709 with the IRS. In 2023 the limit goes up to \$17,000 per person.*

In the last 3, 5, and 10-years, diversifying a portfolio by adding foreign stocks has not increased returns, nor reduced volatility.

The table on the previous page shows 25 different countries and the returns from an ETF that replicates their stock market index. It also shows the maximum drawdown, or selloff, that ETF experienced during the period. The countries are sorted by the total return over the last 10 years through 10-31-22.

Some interesting observations:

1. **Better returns:** Over the last 10 years, the U.S. stock market outpaced the rest of the world, by a longshot, at nearly 2X the gain, over 100% more.
2. **Better returns:** Over the last 5 years the U.S. has been the winner, again gaining nearly twice as much as #2, Israel.
3. **Lower volatility:** Over every period the U.S. market experienced the smallest drawdown of the 25 countries.

Nearly every year some country's stock market will have a year of big gains which leads international money managers to tout the "obvious" benefit of investing all over the globe by saying in effect, "You never know which market will be the best, so you should own them all". In this table, Argentina was #1 in returns over the trailing 3-years. But, do you really want to invest in a country that has defaulted on its debt 9 times?

Another interesting one is the bottom of the list, China, who booked a negative return over 3, 5, and 10-year periods! This was all during a fantastic period of economic growth. According to the International Monetary Fund (imf.org), China's economy grew an average of 6.4% annually since 2012 vs. the U.S.' growth rate of 2.0%. China's economy nearly doubled in size yet their ETF underperformed by 250% vs. the U.S.' ETF.

Instead of "diversification", Peter Lynch, the manager of the Fidelity Magellan fund, referred to this as "diworseification".

Portfolio Updates

During October, the S&P 500 recovered about 8% of its year-to-date losses, and so far November has been good. Year-to-date the S&P 500 is still negative. It's been a tough year, but hopefully a Santa Claus rally (typical in past midterm election years; reread September's letter) will keep the momentum going through December. Over the next six weeks we will be working on tax-loss harvesting to try to save you a bit on capital gains taxes.

Dividend Growth & Income

About 33 dividend companies with a propensity to pay and raise dividends. All but three stocks have increased their dividends in the last year. The three that haven't, Iron Mountain, Dow, and ONEOK pay high yields already.

Bulls of the Dow

The 10 lowest "downside risk" stocks from the 30 Dow stocks, mostly "value" stocks, have held up pretty well. Although down for the year, we are still beating the Dow Jones Industrials and S&P 500. Two stocks changed in October, but you probably know that from the monthly portfolio Zoom call. What, you didn't watch from the emailed link? Shame on you.

IntelliBuilD Growth™ and Outlier Growth

33 growth stocks. Even great growth stocks with strong fundamentals have taken a whipping in 2022. Patience may be required, just like 2020 and 2018 and 2016 and 2014 and...

Covered Call

The call option cash-flow and high-ish cash positions have cushioned the market's downdraft. An OK hideout in 2022.

Real Estate Income and Growth

REITs have been unfairly pummeled this year, in our opinion. If you want income and potential appreciation, check 'em out.

Preferred Income

Preferreds are singing from the same songbook as REITs. It could be time to take advantage of idiot investors who are selling them, just like in 2020 and 2018 and 2016 and...

Put Income and Index Income Overlay

*The strategy objective is to manufacture cash-flow in exchange for the investor accepting some additional volatility. **Option overlay products are ± additive in return to other investments held in an account**, and may not be appropriate for all investors. Realized gains and losses can be inconsistent. These are long-term strategies and may not produce gains over the short-term. Remember, we aren't tax advisers. So, if you have specific tax concerns you'd best call your own tax person.*

Put Income - Drawn out market corrections require patience, and the good news is clients are showing great fortitude. We have created positive cash-flow YTD, but rolling puts has created capital losses; similar to 2020 and 2018 and 2016 and...

Index Income - Goal = manufacture cash-flow from volatility over a long period of time. Period. Cash-flow creation has been OK, not our best year, but not terrible either. We will work on offsetting gains and losses for the balance of 2022.

INNOVATIVE portfolios® Performance

Style (as of 10/31/2022)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	(15.30)	(15.02)	(1.39)	0.83	3.27	4.21
	Preferred Income Net	10/1/2011	(16.37)	(16.08)	(2.60)	(0.41)	2.00	2.91
	Benchmark ICE BofA Core+ Fixed Rate Pfd Index		(21.05)	(20.94)	(4.03)	(0.09)	3.27	4.70
Growth & Income	Covered Call Income Gross	9/1/2010	(12.49)	(8.94)	7.38	7.10	8.44	8.37
	Covered Call Income Net	9/1/2010	(13.55)	(10.05)	6.07	5.79	7.10	7.02
	Benchmark CBOE S&P 500 BuyWrite Index		(11.92)	(9.97)	1.80	3.04	5.46	6.34
	Dividend Growth & Income Gross	7/1/2005	(11.17)	(5.33)	9.44	8.83	10.99	9.27
	Dividend Growth & Income Net	7/1/2005	(12.25)	(6.49)	8.10	7.50	9.63	7.90
	Benchmark Dow Jones U.S. Select Dividend Index		(0.78)	3.87	9.38	8.75	11.57	10.68
	Real Estate Income & Growth Gross	5/1/2017	(21.08)	(14.82)	3.31	6.04	-	6.18
	Real Estate Income & Growth Net	5/1/2017	(22.06)	(15.88)	2.06	4.75	-	4.85
	Benchmark Dow Jones U.S. Select REIT Index		(26.15)	(19.97)	(2.21)	3.07	-	3.00
Growth	IntelliBuild® Growth Gross	10/1/2013	(21.75)	(18.62)	9.87	9.20	-	10.08
	IntelliBuild® Growth Net	10/1/2013	(22.72)	(19.64)	8.53	7.87	-	8.70
	Benchmark S&P 500® Index		(17.70)	(14.61)	10.22	10.44	-	11.73
	Bulls of the Dow Gross	2/1/2013	(6.04)	0.40	8.67	12.29	-	13.90
	Bulls of the Dow Net	2/1/2013	(7.17)	(0.81)	7.35	10.92	-	12.48
	Benchmark Dow Jones Industrial Average Index		(8.42)	(6.74)	8.83	9.33	-	11.78
	Outlier Growth Gross	11/1/2020	(29.25)	(30.70)	-	-	-	0.04
	Outlier Growth Net	11/1/2020	(30.16)	(31.59)	-	-	-	(1.30)
	Benchmark Russell 3000 Index		(18.44)	(16.52)	-	-	-	9.60
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	3.18	4.44	6.42	5.83	-	5.71
	Index Income - Cash Flow Net**	7/1/2016	1.93	3.19	5.17	4.58	-	4.43
	Index Income Total Return Gross	7/1/2016	(7.47)	(6.12)	2.02	2.97	-	3.33
	Index Income Total Return Net	7/1/2016	(8.72)	(7.37)	0.77	1.72	-	2.04
	Market Indicator S&P 500® Index		(17.70)	(14.61)	10.22	10.44	-	12.19

Sheaff Brock® Performance

Style (as of 10/31/2022)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception**
Option Overlay^	Put Income - Realized Gain Gross^	11/1/2016	(7.62)	(7.45)	1.95	3.40	-	3.71
	Put Income - Realized Gain Net^	11/1/2016	(8.87)	(8.70)	0.70	2.15	-	2.43
	Market Indicator S&P 500® Index		(17.70)	(14.61)	10.22	10.44	-	12.54

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

Sheaff Brock Investment Advisors, LLC ("SBIA"), established in 2001, is registered as an investment advisor with the Securities and Exchange Commission. SBIA is wholly owned by Sheaff Brock Capital Management, LLC ("SBCM").

Effective December 2020 Innovative Portfolios, LLC ("IP"), an SEC registered investment Advisor and wholly owned subsidiary of SBCM, was hired as the subadvisor for all the composites except Put Income. Performance after January 1, 2021 occurred while the investment management team was affiliated with IP. The same investment management team has managed the composite since its inception, and the investment process has not changed. Performance after January 1, 2021 has been linked to performance earned at IP. IP policies for valuing investments and calculating performance are available upon request. 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, applied the first month of each quarter. Actual advisory fees incurred by clients may vary. Composite performance consists of fully discretionary portfolios, including those accounts no longer with the firm.

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 strategy 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.

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