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.

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Sheaff Brock®

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.

> "What happens if you get scared half to death twice?"
> — Steven Wright

Sheaff Brockers enjoyed an event where the band, Parlor Social, played a song named Heebie Jeebies, which got me wondering where that phrase originated. It's funny how words or phrases make it into our lexicon. "Heebie jeebies" first appeared 100 years ago in the comic strip "Barney Google and Snuffy Smith", created by Billy DeBeck of Chicago.

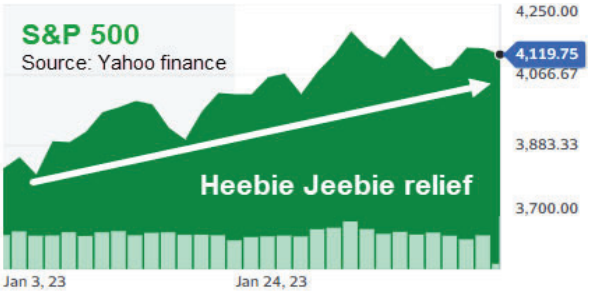
But it took until 1926 for the term to hit mainstream when Louis Armstrong and the Hot Five released the single "Heebie Jeebies" (the song played by the band we saw). The recording was so popular that the group became the most famous jazz band in the United States. Search Heebie Jeebies on YouTube. Listening will make you crave some gumbo, crawfish, and beignets.

Louis "Satchmo" Armstrong went on to become one of the most influential musicians in history whose recordings are heard to this day including, "What a Wonderful World", "Hello, Dolly!", and "When the Saints Go Marching In." If Satchmo had gotten the heebie jeebies from the constant ups-and-downs of the music business and quit, well the world would be a little less wonderful, wouldn't it?

Periodically, 2022 for example, the stock market's volatility is scary and gives some investors the heebie jeebies. It can be painful (like this guy's back) especially over shorter timeframes.

Source: phrases.org

As seen in the chart below, 2023's market rebound has assuaged some investor's fears and given some relief.



But the flipside of the recent bounce in the stock market is it increases the temptation to reallocate portfolios out of stocks, put in stop-losses, invest in "buffered" products, buy bonds, maybe a bank CD or an annuity, or just DO SOMETHING!

Americans seem to live by the mantra, "Don't just stand there, DO SOMETHING". We want to save the day like Superman. However, significant wealth from the stock market has been created by folks who mostly don't do something, but generally sit (and not even stand) there. As Warren Buffett quipped, "Lethargy bordering on sloth remains the cornerstone of our investment style." He's done OK hanging in there like a sloth.

One mistake some people make is conflating life expectancy with longevity and getting too conservative too early. We hear statements like, "My wife and I are 68 years old, so we can't put too much into stocks." Nonsense. Here's why.

The average life expectancy for someone retiring at 65 is about 83 for men and about 86 for women, according to the Social Security Administration. But that's the average, meaning, about 50% of people live that long and 50% live longer, some much longer. There's a 50/50 chance that at least one partner in a couple will still be alive at 92, according to a survey by the Society of Actuaries.

So, the biggest financial risk some older people face is not market volatility, but is in fact the risk of living too long and running out of money. If you are in your 60's your money needs to grow, and last, for maybe thirty years, or longer! Bailing on equities too young and risking going broke before you croak….THAT is what should give you the heebie jeebies.

As we discussed in last month's newsletter the S&P 500 has averaged about 9.5% per year since 1926. But, we have all experienced very poor returns over some 1, 3, 5 and even a few 10 year periods. It has rarely lost money over 20 year periods, and, as you can see in the above graph, never lost money over 30 year periods. The WORST 30 year period for the S&P 500 started just before the depression and encompassed World War II, but still returned 7.8% annually, which is a total gain of 850%. Now, that is an index with no fees, doesn't include withdrawals or additions, isn't a real world example, etc. But still, 850% was the worst outcome. Pretty amazing.

Regardless, the takeaway should be that since you might need your money to last a long time, and the worst 30-year result since 1926 was an 850% return, it seems reasonable that you might want to keep a good-sized chunk in the stock market.

Sheaff Brock uses a third-party firm (a custodian) to hold your accounts and provide trading. For 21 years it was TD Ameritrade, which has now changed to Schwab. We will soon be offering another custodian to our clients with different strengths and services. More choice is good.

You'll be hearing more about this. Stay tuned!

Fidelity

Portfolio Updates

Markets woke up in 2023 in a good mood and as of mid-February are still in a fairly happy place. Fears of recession have been mitigated a bit and consumer spending (70% of the U.S. GDP) has stayed pretty strong. Generally, the sectors that got beat up last year have started out strong in 2023 and visa-versa. We're only in the bottom of the second inning of a twelve inning game, and haven't even opened the box of Cracker Jack yet, but so far so good.

Dividend Growth & Income

Dividend paying stocks had a relatively good year in 2022 by losing less than the S&P 500, but have been a bit pokey out of the gate in 2023. It's early. We have reinvested about half of the funds from our tax-loss ETF swap back into individual stocks, and will likely reinvest the rest still in the ETF soon.

Bulls of the Dow

Put on your party pants because the Bulls composite turns ten years old this month! The Bulls beat their benchmark of the Dow Jones Industrials in 7 of the 10 calendar years, and over the trailing 5 and 10 years. Gross of fees, it even beat the S&P 500's 12.68% return over 10-years. Who says you can't beat the index?

IntelliBuilD Growth™ and Outlier Growth

33 growth stocks in each portfolio. The fundamentals are strong, earnings look good, and after last year's beat-down the valuations are good. We are optimistic that the worst is behind these lower-downside-risk growth stocks.

Covered Call

Call option cash-flow, dividends, and potential capital gains are the three pillars of the portfolio. Most of the cash we were sitting on from being called out of positions has now been reinvested and the year is starting out decent.

Real Estate Income and Growth

REITs shined in 2021, were pummeled in 2022, and have sprinted out of the blocks strong in the early stages of 2023. REITs' historical rising income, potential capital growth, and some inflation protection may bode well for 2023.

Preferred Income

After a tough 2022, our preferred income portfolio is Sheaff Brock's shining star so far this year. We pointed out last month the uncommon cheapness of preferreds at the end of 2022, and apparently other people recognized that too.

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 - 2022 was a tough year, but about a quarter of the losses realized in 2022 were turned into gains in just the first month of 2023. It's a good start to a long game.

Index Income - Goal = manufacture cash-flow from volatility over a long period of time. Simple. January's cash-flow was a little light as we were still rolling in-the-money puts. Total return in January was strong and almost recovered all of 2022's total return loss. It's early...but we'll take what we can get.

INNOVATIVE portfolios® Performance

Style (as of 1/31/2023)	(Average Annual) (%)	*Inception Date*	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	**Preferred Income** Gross	*10/1/2011*	9.19	(4.78)	0.71	3.20	4.08	4.93
	Preferred Income Net	*10/1/2011*	8.88	(5.95)	(0.52)	1.93	2.80	3.63
	Benchmark *ICE BofA Core+ Fixed Rate Pfd Index*		13.72	(6.27)	(0.35)	2.99	4.50	5.82
Growth & Income	**Covered Call Income** Gross	*9/1/2010*	4.38	(5.09)	8.84	7.03	8.54	8.79
	Covered Call Income Net	*9/1/2010*	4.07	(6.23)	7.51	5.72	7.20	7.44
	Benchmark *CBOE S&P 500 BuyWrite Index*		4.18	(5.30)	3.05	3.38	5.91	6.61
	Dividend Growth & Income Gross	*7/1/2005*	2.58	(2.17)	9.60	7.42	10.73	9.61
	Dividend Growth & Income Net	*7/1/2005*	2.27	(3.34)	8.27	6.11	9.37	8.24
	Benchmark *Dow Jones U.S. Select Dividend Index*		4.14	5.19	11.03	8.80	11.83	11.22
	Real Estate Income & Growth Gross	*5/1/2017*	8.16	(7.91)	5.73	7.96	-	7.23
	Real Estate Income & Growth Net	*5/1/2017*	7.85	(9.01)	4.46	6.66	-	5.89
	Benchmark *Dow Jones U.S. Select REIT Index*		10.98	(12.16)	1.97	5.50	-	4.80
Growth	**IntelliBuilD® Growth** Gross	*10/1/2013*	7.07	(3.38)	11.25	9.55	-	10.96
	IntelliBuilD® Growth Net	*10/1/2013*	6.76	(4.52)	9.91	8.22	-	9.57
	Benchmark *S&P 500® Index*		6.28	(8.22)	9.88	9.54	-	12.07
	Bulls of the Dow Gross	*2/1/2013*	0.75	(2.33)	6.71	9.19	13.66	13.66
	Bulls of the Dow Net	*2/1/2013*	0.44	(3.50)	5.41	7.86	12.24	12.24
	Benchmark *Dow Jones Industrial Average Index*		2.93	(0.92)	8.68	7.77	11.98	11.98
	Outlier Growth Gross	*11/1/2020*	3.96	(14.15)	-	-	-	2.21
	Outlier Growth Net	*11/1/2020*	3.65	(15.20)	-	-	-	0.85
	Benchmark *Russell 3000 Index*		6.89	(8.24)	-	-	-	11.28
Option Overlay*	**Index Income - Cash Flow** Gross**	*7/1/2016*	0.12	3.03	6.07	5.70	-	5.55
	Index Income - Cash Flow Net**	*7/1/2016*	(0.20)	1.78	4.82	4.45	-	4.27
	Index Income Total Return Gross	*7/1/2016*	4.37	(4.41)	2.80	3.36	-	3.63
	Index Income Total Return Net	*7/1/2016*	4.06	(5.66)	1.55	2.11	-	2.34
	Market Indicator *S&P 500® Index*		6.28	(8.22)	9.88	9.54	-	12.66

Sheaff Brock® Performance

Style (as of 1/31/2023)	(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*	2.44	(9.44)	0.19	2.31	-	3.30
	Put Income - Realized Gain Net^	*11/1/2016*	2.13	(10.69)	(1.06)	1.06	-	2.02
	Market Indicator *S&P 500® Index*		6.28	(8.22)	9.88	9.54	-	13.01

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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