

Covered Call Income

as of March 31, 2024



Sheaff Brock.

Innovative Portfolios for Intelligent Investors®

OBJECTIVE

The Covered Call Income strategy seeks income and growth of capital from the sale of covered call options on high-quality U.S. large capitalization equities. Stocks are purchased while call options are written/sold out-of-the-money with the intention of the stocks being called away by expiration.

PERFORMANCE (%)				Inception Date: 9/1/2010	
Average (Annual)	2024 YTD	1-Year	3-Year	5-Year	10-Year
Covered Call, Gross	7.52	21.40	7.61	11.16	8.24
Covered Call, Net	7.18	19.89	6.29	9.80	6.91
CBOE S&P 500 BuyWrite	6.02	11.89	6.18	5.93	5.94

Effective December 2020 Innovative Portfolios, LLC ("IP") was hired as the subadvisor for the composite. 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. After January 1, 2021, Sheaff Brock Investment Advisors, LLC performance has been linked to performance earned at IP. Data quoted represents past performance, which is no guarantee of future results.

STRATEGY HIGHLIGHTS

Seeks cash flow through option premiums, short-term capital gains and dividends.

Short-term focus can pair well with traditional long-term strategies.

Active management focused on mitigating downside risk of individual companies.

PORTFOLIO CONSTRUCTION

1ST | Macro Outlook

Review sector weighting trends based on the S&P 500 and macro-economic research.

2ND | Universe

Identify best candidates of U.S. listed companies finding candidates based on price and market capitalization.

3RD | Screen

Utilize Revelation Investment Research to analyze downside risk based on valuation, growth, fundamentals, and sentiment.

4TH | Decision

Select 25-30 U.S. companies with sufficient option liquidity, attractive option premiums, and near-term growth outlook. Positions are regularly reviewed.

TOP 10 HOLDINGS¹ (%)

Allstate Corp	4.74
PayPal Holdings Inc	4.52
Lennar Corp	4.29
Jacobs Solutions Inc	4.13
Alphabet Inc	4.13
Merck & Co Inc	4.06
GE Healthcare Technologies Inc	3.69
Global Payments Inc	3.53
Chevron Corp	3.16
CSX Corp	2.99

SECTOR ALLOCATION¹ (%)

Financials	31.8
Industrials	21.9
Health Care	13.9
Information Technology	12.3
Consumer Discretionary	7.2
Communication Services	6.0
Energy	3.4
Consumer Staples	2.7
Materials	0.6
Real Estate	0.2

EQUITY MARKET CAPITALIZATION¹ (%)

Mega Cap	20.7
Large Cap	79.0
Medium Cap	0.2
Small Cap	0.1

Holdings and portfolio weights are subject to change without notice. Portfolio holdings are provided for informational purposes only and should not be deemed as a recommendation to buy, sell or hold any security. Holdings data calculated only using the long position holdings of the portfolio.

PORTFOLIO MANAGERS

Wally Taggart
Portfolio Manager
Industry since 1964

Dave Gilreath, CFP®
Managing Director, Chief Investment Officer
Industry since 1981

COMPANY PROFILE

- Founded 11/2/2001
- Principals: David S. Gilreath, CFP®, and Ron Brock
- \$1.5 billion total assets under management (as of 3/31/2024)

ADDITIONAL STRATEGIES

GROWTH

- Bulls of the Dow
- IntelliBuild® Growth
- Outlier Growth

GROWTH & INCOME

- Covered Call Income
- Dividend Growth & Income
- Real Estate Income & Growth

FIXED INCOME

- Preferred Income

OPTION OVERLAY

- Index Income Overlay

Disclosures

Organization: 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 the composite. 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.

Description: The Covered Call Composite invests in approximately 25 to 30 large or mid capitalization U.S. equity positions and writes out-of-the money call options on the same positions. The investment objective of the composite is income and capital appreciation. The Covered Call Composite consists of fully discretionary portfolios, including those accounts no longer with the firm. For comparison purposes the composite is measured against the CBOE S&P 500 BuyWrite Index. The Composite inception date is September 1, 2010.

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.

The benchmark is the CBOE S&P 500 BuyWrite Index, 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. 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.

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. 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 herein.

Certain information expressed represents an assessment at a specific point in time and is not intended to be a forecast or guarantee of future performance, nor is it intended to speak to any future time periods. The information and data in the composite overview does not constitute legal, tax, accounting, investment, or other professional advice. The information provided in the composite overview should not be considered a recommendation to purchase or sell any particular security. There is no assurance that any securities discussed herein will remain in the composite at the time you receive the composite overview or that securities sold have not been repurchased. The securities discussed may not represent the entire portfolio. 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.

¹ Portfolio characteristics are computed based on SBIA composite subadvised by IP.

866.575.5700
sheaffbrock.com

info@sheaffbrock.com



Sheaff Brock®

Innovative Portfolios for Intelligent Investors®

8801 River Crossing Boulevard, Suite 100 | Indianapolis, Indiana 46240