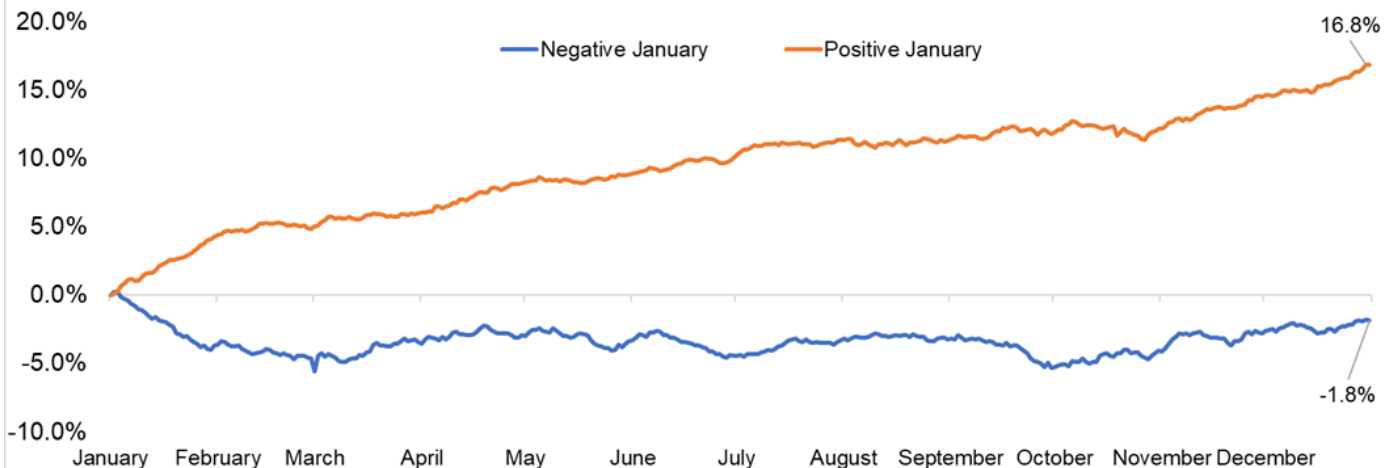


"It never was my thinking that made the big money for me. It was always sitting."  
Edwin Lefevre

## A Positive January Is A Good Thing For 2024

S&P 500 Performance For The Year Based On If January Is Higher Or Lower



Source: Carson Investment Research, FactSet 01/29/2024

@ryandetrick (1950 - Current)



### A good start usually leads to a good finish.

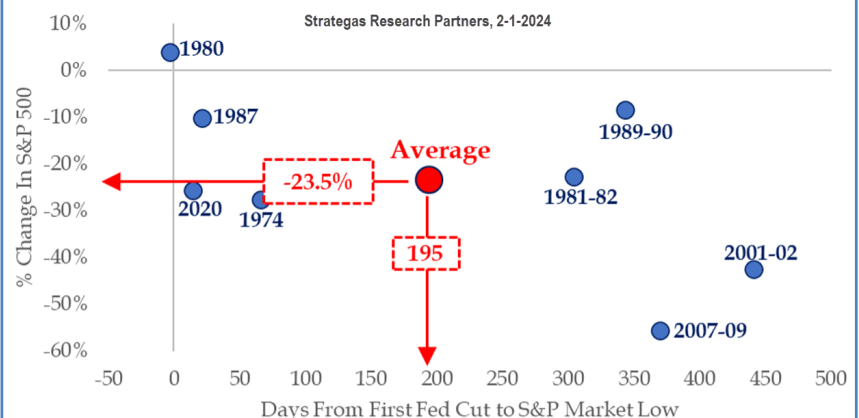
The S&P 500 gained 1.6% in January, which is a good indicator that the rising prices could continue for the rest of the year. Since 1950, when January was positive, over 86% of the time the gains continued for the rest of the year. The orange line in the above chart shows an average of what the rest of the year looked like when January was positive. With nearly 9 out of 10 odds of 2024's stock market looking more orange than blue, even with all the nonsense this year will bring, the stock market looks good to us.

### Be careful what you wish for.

Market pundits and the press seem to be excitedly anticipating a rate cut by the Federal Reserve Board with bated breath\*. The general consensus is that a cut would be a good thing because it could reduce borrowing costs and stimulate the economy. The problem with eagerly hoping for rate cuts is that the Fed cuts only when the economy is showing signs of sputtering. Sometimes the sputtering preceded bigger economic problems, ultimately hurting the stock

market. We've written repeatedly that the stock market corrects all the time and to expect it. Corrections are the toll investors pay for long-term growth of capital. A 10% correction has happened more than once a year. The chart below shows the last 8 times the Fed cut rates and what the stock market did after the first cut. The market corrected seven times, two of which were run-of-the-mill 10% corrections. But, five of the

### Trading Days From First Fed Rate Cut to S&P Market Low vs. S&P 500 % Change From First Fed Cut To Market Low



**Financial Planning Tip!** *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. Tip for this month:*

**Repeat from last month because it's important:** With the custodian changes in 2023, you could receive a Form 1099 from TD Ameritrade, Schwab, and maybe Fidelity. Also, 1099s sometimes get revised, so please be patient as they are sent. To avoid a hot mess, you might want to hold off a bit to file your tax returns.

corrections were whoppers, down 20% or more. The average market correction bottom was about nine months after the first rate cut. But, if you ride the correction for six months, historically good things have awaited investors. This table shows how markets have done during the six months after the Fed quit raising rates, and when the Fed started cutting. Patience has been rewarded.

Bottom line:

- ✓ Rate cuts may induce turbulence.
- ✓ With its strong start, odds are good the stock market may finish strong.
- ✓ Six months of patience may be required after the Fed cuts rates.

## Portfolio Updates

### Dividend Growth & Income

Although not all dividend-driven portfolios had a good 2023, ours did. Old news though, right? Our portfolio's average dividend yield as of 2/5/24 was 2.29% and EVERY stock we own raised its dividend in the last 12 months. 2024, so far so good.

### Bulls of the Dow

Ten of the Dow Jones Industrials, rebalanced quarterly. A simple concept with solid long-term results. 2024, not so hot yet.

### IntelliBuild Growth™

33 growth stocks from IBD 50 and William O'Neil lists. Growth stocks had a good 2023 as did this portfolio. 2024, good start.

### Outlier Growth

33 growth stocks with unusually high institutional buy-side volume. Our best performer in 2023. 2024 started out hotter than Ricky Bobby's "red-hot smokin' wife". Still early though.

### Covered Call

It's been a solid benchmark beater so pressure is on for 2024.

### Real Estate Income and Growth

The REIT index tracked by the largest ETF is priced about where it was in 2014! However, the dividend income is about 20% higher today. REITs are very out of favor (historically, anyway) and had a rough start this year, but offer good yields.

## Don't Fight The Fed

With the exception of a few severe recessions, Fed pivots from rate hikes to rate cuts produce solid, if not juicy, short-term gains

### End of rate hikes

Six-month change after final rate hike

	S&P 500	Nasdaq
4/14/1982	16.2%	13.5%
8/20/1984	9.8	14.8
10/15/1987	-12.9	-11.5
2/24/1989	22.4	16.5
2/1/1995	19.0	30.7
3/25/1997	18.9	34.5
5/16/2000	-6.4	-18.4
6/29/2006	11.4	11.1
12/19/2018	16.7	20.3
7/26/2023	7.1	9.4

Source: IBD

### Start of rate cuts

Six-month change after first rate cut

	S&P 500	Nasdaq
4/15/1982	14.8%	12.9%
8/29/1984	9.7	12.7
3/4/1986	13.1	5.2
10/19/1987	14.7	4.6
6/5/1989	8.6	2.4
7/6/1995	11.3	8.5
9/29/1998	24.9	43.8
1/3/2001	-8.4	-18.2
9/18/2007	-12.4	-14.5
7/31/2019	8.2	11.9
3/2/2020	15.9	34.7

### Preferred Income

This is the highest yielding portfolio we offer (besides a private partnership) and started 2024 like Usain Bolt. If you are looking for income you might want to take a gander.

### 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** - After 2022's worst year ever, 2023 turned out to be the best year we've ever had for realized gains. Our average monthly gain since inception has been 28 bps net-of-fees. January of 2024 was 97 bps net, so a decent start.

**Index Income** - Goal = manufacture cash-flow from volatility over a long period of time. Simple, but not easy. 2023 turned out to be the best year we've had since 2019 for total return, although cash-flow was not good. January's low VIX made for OK, but a bit-lower-than-average, returns on both scores.

\*Bated breath seems like a funny saying, so I looked up the origin. Bated breath first appeared in Shakespeare's *Merchant of Venice* in 1605. Using a shortened form of abated, the phrase refers to people holding their breath in excitement to see what happens next.

## INNOVATIVE portfolios® Performance

Style (as of 1/31/2024)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	3.38	5.04	0.78	3.82	4.89	4.94
	Preferred Income Net	10/1/2011	3.07	3.74	(0.46)	2.54	3.60	3.63
	Benchmark ICE BofA Core+ Fixed Rate Pfd Index		3.67	(0.07)	(1.80)	2.10	4.46	5.33
Growth & Income	Covered Call Income Gross	9/1/2010	0.69	10.95	7.98	10.47	8.04	8.95
	Covered Call Income Net	9/1/2010	0.38	9.58	6.66	9.12	6.71	7.60
	Benchmark CBOE S&P 500 BuyWrite Index		1.77	9.23	6.67	5.74	5.97	6.81
	Dividend Growth & Income Gross	7/1/2005	0.98	15.83	11.51	12.26	9.94	9.25
	Dividend Growth & Income Net	7/1/2005	0.67	14.40	10.15	10.89	8.59	7.90
	Benchmark Dow Jones U.S. Select Dividend Index		(1.75)	(4.21)	10.27	8.22	9.35	7.75
	Real Estate Income & Growth Gross	5/1/2017	(4.05)	(2.40)	5.90	5.64	-	5.75
	Real Estate Income & Growth Net	5/1/2017	(4.36)	(3.63)	4.61	4.36	-	4.42
	Benchmark Dow Jones U.S. Select REIT Index		(4.04)	(1.46)	5.79	3.00	-	3.85
Growth	IntelliBuild® Growth Gross	10/1/2013	1.86	22.49	11.75	15.76	11.70	12.02
	IntelliBuild® Growth Net	10/1/2013	1.55	20.96	10.38	14.35	10.33	10.63
	Benchmark S&P 500® Index		1.68	20.82	10.99	14.30	12.62	12.89
	Bulls of the Dow Gross	2/1/2013	(0.13)	14.50	9.38	10.74	13.22	13.74
	Bulls of the Dow Net	2/1/2013	(0.44)	13.09	8.04	9.38	11.83	12.32
	Benchmark Dow Jones Industrial Average Index		1.31	14.36	10.58	11.19	11.82	12.20
	Outlier Growth Gross	11/1/2020	6.12	40.34	9.69	-	-	12.68
	Outlier Growth Net	11/1/2020	5.81	38.62	8.34	-	-	11.22
	Benchmark Russell 3000 Index		1.11	19.15	9.10	-	-	13.65
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	0.30	2.62	4.44	5.30	-	5.17
	Index Income - Cash Flow Net**	7/1/2016	(0.01)	1.37	3.19	4.05	-	3.89
	Index Income Total Return Gross	7/1/2016	0.31	7.49	3.68	4.44	-	4.14
	Index Income Total Return Net	7/1/2016	0.00	6.24	2.43	3.19	-	2.86
	Market Indicator S&P 500® Index		1.68	20.82	10.99	14.30	-	13.70

## Sheaff Brock® Performance

Style (as of 1/31/2024)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception <sup>AA</sup>
Option Overlay <sup>A</sup>	Put Income - Realized Gain Gross <sup>A</sup>	11/1/2016	1.28	13.14	3.95	4.73	-	4.64
	Put Income - Realized Gain Net <sup>A</sup>	11/1/2016	0.97	11.89	2.70	3.48	-	3.36
	Market Indicator S&P 500® Index		1.68	20.82	10.99	14.30	-	14.06

### 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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(Continued from page 3) 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 2023 CNBC Financial Advisor 100 (ranked 10th, 9/12/23), 2022 CNBC Financial Advisor 100 (ranked 68th, 10/4/22), 2021 CNBC Financial Advisor 100 (ranked 82nd, 10/6/21) & the 2020 CNBC Financial Advisor 100 (ranked 95th, 10/6/20) 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 40,646 RIA firms for 2023, 39,818 RIA firms for 2022, 38,302 for 2021 and 37,369 for 2020 from the Securities and Exchange Commission regulatory database. AccuPoint screened the list down to 812 RIAs for 2023, 904 RIAs for 2022, 749 for 2021 and 750 for 2020 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.