

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.

“How did you go bankrupt?”
Two ways. Gradually, then suddenly.”
— Ernest Hemingway, *The Sun Also Rises*

Two amazing gradually-then-suddenly things this year: First, is how a multi-decade California drought may largely end by May (according to a March 9th bulletin from the NOAA) from the incredible storms and snow that has fallen in the western states. Below is a picture of a completely covered two-story home in Mammoth, CA which has had 668 inches (over 55 feet) of snow fall as of March 21st. And, more snow is on the way!



Second, is how the Fed rate hikes have exposed the fragility of some banks and caused a few to go bankrupt. The pressure on bank balance sheets built gradually and then suddenly caused a few banks to give up the ghost, while many others have come under stress as indicated by their stock prices. As of today, the S&P 500 is almost even for the month of March. A big, strong bank like JP Morgan (JPM) has only had about 10% shaved off their stock since March 1st. BankAmerica (BAC) is down almost twice as much at -19%. The SPDR Regional Bank ETF (KRE) is off almost -30%. Even the brokerage firm Schwab (SCHW), which most of us don't think of as a bank but has a sizable banking division, has been caught in the bank maelstrom with their stock down about 30% this month.

The bank crisis has reinforced Sheaff Brock's decision, which started slowly many months ago, to add another custodian for our client's assets. And, for diversification and safety reasons, to encourage clients to move some assets there. This begs the question of what is a custodian and why does it matter?

Last month we announced a new strategic alliance for Sheaff Brock clients as we now have Fidelity as an option for clients to utilize for custodian of their accounts. Below is a list of the top five RIA custodians and a good explanation of the custodian's role as it relates to you by Dana Anspach.

Top 5 financial services custodians by RIA Assets as of 12/2021:

- ◆ Schwab Advisor Services (\$B) \$762
- ◆ Fidelity Institutional Wealth Services (\$B) \$ 586
- ◆ TD Ameritrade Institutional (\$B) \$165
- ◆ Pershing Advisor Solutions (\$B) \$106
- ◆ LPL Financial (\$B) \$35

How a Financial Custodian Works

- A financial custodian is a company that holds on to your financial assets on your behalf
- The custodian will send you a monthly or quarterly statement for your account
- The custodian serves as a broker when you want to buy or sell investments
- The custodian makes arrangements for you to receive dividends and files the necessary paperwork to report these to the IRS, if applicable
- The custodian tracks stock transactions such as buying and selling, payment and receipt of dividends, and company-specific activities like stock splits or mergers



the balance

So, why did we choose Fidelity?

1. Fidelity is not owned by a bank and does not own a bank. In today's world that is an important distinction.
2. Fidelity does not sell order flow, potentially providing better execution prices to clients. Selling order flow is a big hot-potato with the SEC and Congress, and a big revenue generator for most firms, including Schwab.
3. Fidelity is family owned, and has been for over 75 years. They can take the long view as there is no publicly traded stock to influence management decisions.
4. Fidelity has a history of reinvesting a large portion of its profits in technology and services, which may help enhance the solutions we offer you.
5. Fidelity has tremendous scale. With assets under administration of \$11.8 trillion, as of 12/31/21, (vs. Schwab with

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. Tips for this month:

If you are wanting to make a charitable gift, please check to see if the organization can accept a gift of long-term appreciated securities. Most charitable organizations can. Take this example using a 20% capital gains tax, 5% state tax, and 3.4% NIIT tax. The savings can be significant. We had a client recently swap a \$500k cash gift to charity for \$500k of securities, which avoided tax on \$98k in long-term capital gains for a \$28k tax savings to the client!

We're happy to run a charitable giving analysis to help demonstrate the benefit of swapping securities for cash when it comes to charitable giving.

\$7.9T per broker-review.com) they help over 40 million Americans with important financial goals. Fidelity also manages employee benefit and 401k programs for over 25,500 businesses and is the biggest 401k provider.

6. Last but not least, if you are in an option based strategy, your trading costs may be less. Your Sheaff Brock Portfolio Consultant can explain in more detail.*

We know changing firms is a pain in the hind end, not just for you but for us too. But, since nearly everyone we knew and relied upon at TD Ameritrade for 20 years is no longer there, we feel this is a good time to offer another custodian. Moving might create some one-time pain, but we believe this will be less painful for two reasons: we have hired a firm that specializes in transfers to help us, and electronic document signing simplifies matters. A lot!

The fact of the matter is that TD Ameritrade accounts will be moving to the Schwab platform over Labor Day weekend, meaning your accounts will be changing brokers later this year anyway. For that reason, plus all of the others we cited in the list, we feel now instead of later is best. You will be hearing from us in the next weeks and months about what a change of custodian could mean for your accounts.

*Please be advised that in conjunction with the transfer of assets to Fidelity, Fidelity has agreed to reimburse Sheaff Brock a transition assistance amount for a certain level of assets transferred and reimburse a certain amount of client costs associated with these transfers.

Portfolio Updates

After a lousy 2022 for the stock market, January was strong. February's pullback negated most of January's gain. Due to banks' woes and increased volatility, March has seemed worse than reality. All-in-all stocks are still stuck in a trading range where they have been for two years.

Two years ago, on March 23, 2021, the S&P 500 ETF (SPY) was at \$389.50. Today it is at \$396.78, or +1.8%, and way below the average 9-10% annual average. Bonds, as measured by the Aggregate Bond ETF (AGG) have done very poorly by dropping from \$114 per share to \$99, for a price return of -13%.

We've been through tough sledding periods before, and they have all eventually ended in a good way. The average length of

a bear market since 1929 is just 9.6 months, according to Ned Davis Research. So far, we are about 15 months into this one. We expect the bull to regain its footing sooner than later.

Dividend Growth & Income

Our dividend stocks have held up pretty well this year. We have reinvested half of the funds we parked in the ETF last year and are being patient in search of a couple new stocks.

Bulls of the Dow

The Bulls have started a bit slow out of the blocks in 2023, but still are long-term solid. Watch for a 10th birthday video soon.

IntelliBuild Growth™ and Outlier Growth

33 growth stocks. These portfolios are starting 2023 in good form; both ahead of their benchmarks (as of 2/28/23). They are fully invested and sport good metrics, in my opinion.

Covered Call

Wally has done a good job of steering the Covered Call boat through choppy waters. The composite has sailed through in pretty good shape, even through unpredictable winds.

Real Estate Income and Growth

REITs have been punished by rising interest rates and pandemic hangover. We think values are good at today's prices.

Preferred Income

In 2023, preferred stocks have come out of the corner swinging with a fury. Apparently other folks figured out they were too cheap, like we wrote here for the last few months.

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 - The first two months of 2023 saw gains that almost wiped out 2022's losses. It's a great start and we look forward to the rest of the year.

Index Income - Goal = manufacture cash-flow from volatility over a long period of time. Simple. The extended bear market requiring in-the-money rolling has crimped cash-flow. In the past, the cash flow droughts have often ended in the way of California's drought. With a little bit better stock market, we hope cash-flow might improve gradually, and then suddenly.

INNOVATIVE portfolios® Performance

Style (as of 2/28/2023)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	7.60	(2.86)	1.70	2.77	3.97	4.76
	Preferred Income Net	10/1/2011	7.29	(4.05)	0.45	1.51	2.70	3.46
	Benchmark ICE BofA Core+ Fixed Rate Pfd Index		10.59	(4.95)	(0.03)	2.14	4.12	5.52
Growth & Income	Covered Call Income Gross	9/1/2010	3.09	(4.67)	10.25	7.13	8.45	8.62
	Covered Call Income Net	9/1/2010	2.78	(5.81)	8.91	5.82	7.11	7.28
	Benchmark CBOE S&P 500 BuyWrite Index		4.02	(4.80)	5.72	3.64	5.86	6.55
	Dividend Growth & Income Gross	7/1/2005	1.52	(0.05)	13.05	7.88	10.38	9.40
	Dividend Growth & Income Net	7/1/2005	1.21	(1.26)	11.68	6.56	9.02	8.05
	Benchmark Dow Jones U.S. Select Dividend Index		0.40	1.58	14.13	8.94	11.25	10.69
	Real Estate Income & Growth Gross	5/1/2017	2.54	(9.07)	6.54	8.69	-	6.15
	Real Estate Income & Growth Net	5/1/2017	2.24	(10.16)	5.26	7.38	-	4.84
	Benchmark Dow Jones U.S. Select REIT Index		5.51	(13.43)	3.25	6.02	-	3.83
Growth	IntelliBuild® Growth Gross	10/1/2013	8.90	2.25	15.41	10.68	-	11.05
	IntelliBuild® Growth Net	10/1/2013	8.58	1.04	14.02	9.33	-	9.68
	Benchmark S&P 500® Index		3.69	(7.69)	12.15	9.82	-	11.67
	Bulls of the Dow Gross	2/1/2013	(2.77)	(2.75)	8.86	8.94	13.14	13.14
	Bulls of the Dow Net	2/1/2013	(3.07)	(3.91)	7.54	7.61	11.75	11.74
	Benchmark Dow Jones Industrial Average Index		(1.13)	(1.59)	10.96	7.77	11.34	11.43
	Outlier Growth Gross	11/1/2020	5.07	(12.13)	-	-	-	2.59
	Outlier Growth Net	11/1/2020	4.76	(13.21)	-	-	-	1.28
	Benchmark Russell 3000 Index		4.39	(8.07)	-	-	-	9.74
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	0.25	2.88	5.91	5.62	-	5.50
	Index Income - Cash Flow Net**	7/1/2016	(0.06)	1.63	4.66	4.37	-	4.24
	Index Income Total Return Gross	7/1/2016	3.01	(5.09)	3.56	3.10	-	3.38
	Index Income Total Return Net	7/1/2016	2.70	(6.34)	2.31	1.85	-	2.11
	Market Indicator S&P 500® Index		3.69	(7.69)	12.15	9.82	-	12.07

Sheaff Brock® Performance

Style (as of 2/28/2023)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception ^{AA}
Option Overlay^	Put Income - Realized Gain Gross^	11/1/2016	6.14	(5.70)	1.52	2.96	-	3.84
	Put Income - Realized Gain Net^	11/1/2016	5.82	(6.95)	0.27	1.71	-	2.57
	Market Indicator S&P 500® Index		3.69	(7.69)	12.15	9.82	-	12.39

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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