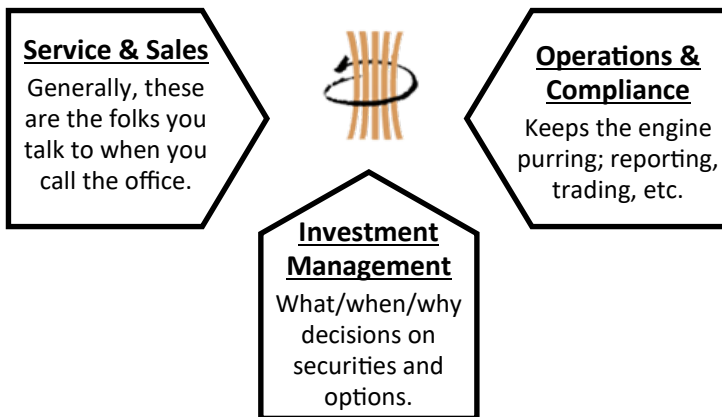


"It doesn't make sense to hire smart people and tell them what to do; we hire smart people so they can tell us what to do."
Steve Jobs

Last month, we showed how our performance compared to the benchmarks (pretty darn good; reread it on our website if you don't remember) and discussed how index funds relate to the average finisher in the Indianapolis 500. This month we are going to talk about our investment process.

In conversations with our clients we have learned some of you don't understand who makes portfolio decisions in your accounts. Over the years, we've probably done a poor job of explaining who does what around here, which is likely the reason for any confusion.

Sheaff Brock is roughly divided into three groups of folks who, working together, keep the whole entity humming. There is overlap between the groups since many Sheaff Brokers are multi-talented, but for the most part it looks like this:



Our investment process has evolved over the last two decades. Instead of just seeking stocks with potential upside, we first look at the likelihood of downside risk.



The downside (and upside) potential is calculated weekly and delivered in a cold, hard spreadsheet. Much of the "sorting" of stocks in the equity portfolios and Put Income option overlay focuses on this data, the potential downside-risk the stock has. This data takes the human bias out of buy/sell decisions. On new purchases we avoid the stocks with the quantitative attributes historically attributed to poor stock price performance. Mathematically, if one loses less on the downside they don't have to make as much on the upside to get a good result. That's not "new math" or "old math", it's just math.

Our investment team meets to discuss each portfolio, go over current holdings and look at new potential replacements. Some snootier firms would call this their "Investment Policy Committee Meeting", but we just call it "Stock Chat", since that's what it is.

Here is the core of the investment management team:



David S. Gilreath, CFP,®
Managing Director and
Chief Investment Officer



Ron Brock
Managing Director
and CFO



Tom Kaiser, CFA, CPA,
Research Analyst &
Portfolio Manager



"JR" Humphreys, CFA,
CAIA, Senior Portfolio
Manager



Wally Taggart,
Portfolio Manager



Jim McMahon,
Senior Vice President
Investments

This core is the same as it was last year, and the year before, and the year before that, and...you get the idea. The core group is assisted by and also gets ideas from two folks who are not shy:



Nathan Harshman,
Senior Equity &
Derivatives Trader



Christy Jordan, National
Business Development
Director

Quite often our Portfolio Consultants, Jared Lee, Emily Begeman, CFP®, and Tiffany VanHook, JD will sit in on the meeting and throw in their two cents, and sometimes three or four cents.



Jared Lee,
Portfolio Consultant



Emily Begeman, CFP®,
Portfolio Consultant



Tiffany VanHook, JD,
Portfolio Consultant

As you can see there is a solid group of smart people with many, many years of experience making portfolio decisions on your behalf.

Portfolio Updates

So far for 2024, the stock market has done pretty well vs. bonds being not-so-hot. April was a tough month for risk assets but May has been good. Election years tend to experience some volatility in the 1st half, but generally have ended well.

Dividend Growth & Income

EVERY stock we own raised its dividend in the last 12 months and the portfolio has done very well. As a group, dividend payers have reasonable valuations since most tend to fall in the “value” camp.

Bulls of the Dow

Solid long-term results, not so much short-term. The DJIA hasn’t been as strong as the S&P 500 since the S&P 500 is dominated by big tech stocks and the DJIA is more industrial.

IntelliBuild Growth™

33 growth stocks from IBD 50 and William O’Neil lists. Growth stocks have been on a roll, until maybe this week. We’ll see.

Outlier Growth

33 growth stocks with unusually high institutional buy-side volume. Through April, this has been our shining star.

Covered Call

If we get a summer pullback the call premiums collected should cushion the blow a bit. Still a solid performer.

Real Estate Income and Growth

REITs are very out of favor (historically, anyway). If/when interest rates start falling, good things could happen here.

Preferred Income

This is the highest yielding portfolio we offer. And most of the income is taxed at the lower dividend/LT capital gain rate. If you want income, what’s not to like?

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 - Through April we had pretty much booked as much in gains as we typically do in an entire YEAR. If compared to golf it would be like being under par through 7 holes. Not sure how the round/year will end, but it’s a nice start.

Index Income - Goal = manufacture cash-flow from volatility over a long period of time. Simple. Not easy. Through April, cash-flow was just slightly below our long-term average, but still pretty good, especially since the VIX was recently below 12; the lowest since 2019. This directly impacts cash flow.

INNOVATIVE portfolios® Performance

Style (as of 4/30/2024)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	3.58	10.47	0.07	3.10	4.20	4.86
	Preferred Income Net	10/1/2011	2.94	9.10	(1.17)	1.83	2.92	3.55
	Benchmark <i>ICE BofA Core+ Fixed Rate Pfd Index*</i>		1.10	4.13	(3.28)	0.84	3.60	5.01
Growth & Income	Covered Call Income Gross	9/1/2010	3.98	15.77	5.78	9.73	7.83	9.04
	Covered Call Income Net	9/1/2010	3.32	14.32	4.48	8.39	6.50	7.68
	Benchmark <i>CBOE S&P 500 BuyWrite Index</i>		4.58	9.12	5.42	5.31	5.69	6.89
	Dividend Growth & Income Gross	7/1/2005	9.18	24.33	10.15	12.17	10.11	9.58
	Dividend Growth & Income Net	7/1/2005	8.49	22.77	8.80	10.80	8.75	8.22
	Benchmark <i>Dow Jones U.S. Select Dividend Index</i>		2.82	6.01	4.32	7.72	8.94	7.90
	Real Estate Income & Growth Gross	5/1/2017	(4.97)	4.19	(0.06)	4.49	-	5.39
Real Estate Income & Growth Net	5/1/2017	(5.59)	2.87	(1.29)	3.21	-	4.07	
Benchmark <i>Dow Jones U.S. Select REIT Index</i>		(7.68)	1.67	(1.55)	1.47	-	3.13	
Growth	IntelliBuild® Growth Gross	10/1/2013	4.77	22.71	8.78	13.93	11.53	12.02
	IntelliBuild® Growth Net	10/1/2013	4.09	21.15	7.43	12.53	10.16	10.62
	Benchmark <i>S&P 500® Index</i>		6.04	22.66	8.06	13.19	12.41	13.01
	Bulls of the Dow Gross	2/1/2013	0.79	12.89	7.15	9.65	12.74	13.51
	Bulls of the Dow Net	2/1/2013	0.16	11.47	5.84	8.31	11.35	12.09
	Benchmark <i>Dow Jones Industrial Average Index</i>		0.92	13.25	5.87	9.61	11.10	11.87
	Outlier Growth Gross	11/1/2020	14.54	44.64	9.01	-	-	14.19
	Outlier Growth Net	11/1/2020	13.81	42.84	7.66	-	-	12.71
Benchmark <i>S&P 500® Growth Index⁶</i>		8.35	26.70	6.36	-	-	12.26	
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	1.45	3.16	4.12	5.35	-	5.15
	Index Income - Cash Flow Net**	7/1/2016	0.82	1.91	2.87	4.10	-	3.87
	Index Income Total Return Gross	7/1/2016	1.03	5.96	2.88	4.01	-	4.10
	Index Income Total Return Net	7/1/2016	0.40	4.71	1.63	2.76	-	2.82
	Market Indicator <i>S&P 500® Index</i>		6.04	22.66	8.06	13.19	-	13.84

Sheaff Brock® Performance

Style (as of 4/30/2024)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception ^{AA}
Option Overlay ^A	Put Income - Realized Gain Gross ^A	11/1/2016	4.97	11.02	3.70	4.79	-	4.98
	Put Income - Realized Gain Net ^A	11/1/2016	4.35	9.77	2.45	3.54	-	3.70
	Market Indicator <i>S&P 500® Index</i>		6.04	22.66	8.06	13.19	-	14.20

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.

SBIA provides the Newsletter for general informational and educational purposes, and where appropriate, to assist in explaining the composites. It is not investment advice for any person. The information and data do not constitute legal, tax, accounting, investment, or other professional advice. The information provided should not be considered a recommendation to purchase or sell any particular security. 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. Information is obtained from sources SBIA believes are reliable, however, SBIA does not audit, verify, or guarantee the accuracy or (Continued on page 4)

(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. *S&P 500* is a market value weighted index comprised of 500 of the largest publicly traded U.S. companies. *S&P 500 Growth* is an index that measures the performance of the large-cap growth sector selected by sales growth, the ratio of earnings change to price, and momentum from the S&P 500. *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.

⁹In March 2024, the benchmark was changed from the Russell 3000 to the S&P 500 Growth for all periods due to availability of the previous index. [†]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.