

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.



Innovative Portfolios for Intelligent Investors®

"A billion here, a billion there, and pretty soon you're talking real money."
Senator Everett Dirksen

With all that is happening this summer between TD Ameritrade, Schwab, and Fidelity, we have had questions from clients like:

- Client A, "Does this mean I will have to talk to Schwab or Fidelity representatives about my account?"
- Client B, "Does this mean Schwab or Fidelity will be making recommendations?"
- Client C, "Does this mean Sheaff Brock is no longer my advisor?"
- Client D, " Did Sheaff Brock get acquired by Schwab?"

The answers are simple. **NO, NO, NO,** and **NO.**

As your advisor, Sheaff Brock needs a broker (custodian) to hold the billion-plus dollars of our clients' assets. Years ago, we used Waterhouse Securities, which morphed to TD Waterhouse, which then merged with Ameritrade to become TD Ameritrade, which then got gobbled up by Schwab. Now, we are using Fidelity too. A lot of shifting sands for brokers.

Through all the shifting in the broker/custodian world, Sheaff Brock has been the rock, the same independent advisor we were over two decades ago. I mean, we used to have only four people and now have a couple dozen, but we're all in our places with bright shiny faces to help with your investment and planning needs. And we're not going anywhere anytime soon, so no worries.

Politicians seem to use the word "only" just before "billion" when describing some pet spending project. This puts a billion into perspective.

How Much is a Billion?

- ◆ A billion *seconds* ago it was 1992. *Silence of the Lambs* won best picture.
- ◆ A billion *minutes* ago was the year 120. The Roman Empire was at its peak with Hadrian as Emperor.
- ◆ A billion *hours* ago was 110,000 BC. About when some think the earliest humans were roaming around North Africa.
- ◆ A billion *months* was 82 million years ago; the Cretaceous period. Dinosaurs ruled.
- ◆ A billion *dollars* was about 90 minutes ago at the current rate of U.S. government spending.



If you want to put a name to one of the smiling faces, go to SHEAFFBROCK.COM, click on ABOUT US and then on OUR TEAM.



DocuSign packages may show up in your inbox containing e-signature forms for moving accounts to Fidelity. Ron and Dave would ask you to consider moving some of your assets to Fidelity. Spread the wealth. Pretty soon we'll quit bugging you about this. Really.

Fidelity

Sheaff Brokers have outlived the brokerage firms we used to work for. Paine Webber, Bache Halsey Stuart Shields, Prudential-Bache, Dean Witter, Thompson McKinnon, and EF Hutton are all gone. But, like *The Little Engine that Could*, we're still chugging along!

Portfolio Updates

Here is a chart of the S&P 500 for the last 2 years. Today, the index is basically back to where it was 21 months ago. For stock market investors it has been tough sledding for about 2 years. But, the skies seem to be getting brighter.



Last summer in 2022, many pundits were sure there would be a big recession and were cautious, or mostly downright bearish on stocks. In our July of 2022 newsletter, https://sheaffbrock.com/images/newsletters/Sheaff-Brock_Market-Update_07-22.pdf we compared 2022 to 1962 and 1970, which were remarkably similar terrible markets, and showed how the S&P 500 jumped 25 to 30% in the next year and about 45% over the next two years. In that issue we wrote, *“Could the S&P 500 recover in a year or two the way it did the two previous times there was an awful first half? Given today’s problems could the market advance a LOT, like before, to about 5400 on the S&P 500? Why not?”*

In the last year the S&P 500 has gained about 19% to just under 4600. In the next year could it get to 5400, or 18% higher from here? Why not?



Roseau Times Regional

Dividend Growth & Income

Our portfolio of dividend stocks is basically a large-cap value strategy of dividend payers, most of whom have a propensity to raise their dividends annually. Through June, its performance cracked into the double-digits at 10.13% net-of-fees vs. our benchmark of -4.32%, and vs. a popular index, the Dividend Aristocrats, with the ETF “NOBL” that tracks it +5.72%. We don’t beat them every year, like in 2022, but we’re beating year-to-date, and over the trailing 1-year and 3-year periods. After the current earnings season we may make a tweak to the portfolio, or maybe not. We’ll see.

Bulls of the Dow

The Bulls had a solid June which moved us back ahead of the Dow Jones Industrials year-to-date (YTD). I (Dave) was recently on a podcast discussing the strategy, a link of which was, or will be, emailed to you. My part was only 17 minutes, so listening won’t be a complete time-suck, although it is 17 minutes. If you think you’ll live at least 10 more years, or 5,256,000 minutes, listening to the podcast could chew up .000032% of the rest of your life. Spend your time wisely.

IntelliBuild Growth™ and Outlier Growth

33 growth stocks in each portfolio. YTD, these growth portfolios are our hot tamales, +19.50% and +24.26% respectively net-of-fees. This compared to the S&P 500 +16.89% and the Russell 3000 +16.17%. They’ve had a nice run for the last 1 to 3 years (see table), but they can be grumpy during corrections.

Covered Call

We generally use stocks with lower downside risk characteristics so, have slightly lagged the S&P 500-based, tech heavy benchmark YTD. Although June was great and brought us back ahead over the trailing 1, 3, 5, and 10 year periods.

Real Estate Income and Growth

REITs finally woke up in June which benefited our portfolio. We are still a bit behind our benchmark YTD, but back ahead over the longer-term periods.

Preferred Income

Bank fears hurt preferreds through June, although the fears seem to be mitigating as of today. Currently, dividend yields are historically higher than average.

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 June, this is shaping up to be one of our best years. The rally has been welcome, and helped. A lot.

Index Income - Goal = manufacture cash-flow from volatility over a long period of time. Simple, but sometimes hard. The rising S&P 500 finally moved all our positions out-of-the-money (as of today) . With a little luck we could be in much improved shape for better cash-flow. Keep fingers crossed.

INNOVATIVE portfolios® Performance

Style (as of 6/30/2023)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	4.35	1.69	1.25	1.87	3.75	4.35
	Preferred Income Net	10/1/2011	3.73	0.47	0.00	0.62	2.47	3.07
	Benchmark <i>ICE BofA Core+ Fixed Rate Pfd Index</i>		5.09	(1.80)	(1.48)	0.75	3.71	4.90
Growth & Income	Covered Call Income Gross	9/1/2010	8.36	15.35	11.96	8.32	8.58	8.81
	Covered Call Income Net	9/1/2010	7.71	13.99	10.59	6.99	7.24	7.48
	Benchmark <i>CBOE S&P 500 BuyWrite Index</i>		10.47	9.02	10.56	4.42	6.26	6.88
	Dividend Growth & Income Gross	7/1/2005	10.81	20.10	18.03	10.22	10.42	10.05
	Dividend Growth & Income Net	7/1/2005	10.13	18.67	16.59	8.88	9.06	8.70
	Benchmark <i>Dow Jones U.S. Select Dividend Index</i>		(4.32)	0.47	16.41	7.21	9.99	9.76
	Real Estate Income & Growth Gross	5/1/2017	2.68	2.11	11.38	5.83	-	5.83
	Real Estate Income & Growth Net	5/1/2017	2.07	0.91	10.03	4.55	-	4.54
	Benchmark <i>Dow Jones U.S. Select REIT Index</i>		5.77	(0.69)	9.17	3.28	-	3.66
Growth	IntelliBuild® Growth Gross	10/1/2013	20.23	31.60	16.27	12.70	-	11.79
	IntelliBuild® Growth Net	10/1/2013	19.50	30.06	14.85	11.33	-	10.41
	Benchmark <i>S&P 500® Index</i>		16.89	19.59	14.60	12.31	-	12.62
	Bulls of the Dow Gross	2/1/2013	7.35	15.20	8.95	11.08	13.03	13.77
	Bulls of the Dow Net	2/1/2013	6.69	13.84	7.62	9.72	11.64	12.38
	Benchmark <i>Dow Jones Industrial Average Index</i>		4.94	14.23	12.30	9.59	11.26	11.68
	Outlier Growth Gross	11/1/2020	25.03	31.68	-	-	-	9.16
	Outlier Growth Net	11/1/2020	24.26	30.13	-	-	-	7.81
	Benchmark <i>Russell 3000 Index</i>		16.17	18.95	-	-	-	12.91
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	0.70	1.49	5.79	5.32	-	5.31
	Index Income - Cash Flow Net**	7/1/2016	0.08	0.24	4.54	4.07	-	4.06
	Index Income Total Return Gross	7/1/2016	9.28	8.42	5.51	4.02	-	4.11
	Index Income Total Return Net	7/1/2016	8.65	7.17	4.26	2.77	-	2.86
	Market Indicator <i>S&P 500® Index</i>		16.89	19.59	14.60	12.31	-	13.39

Sheaff Brock® Performance

Style (as of 6/30/2023)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception ^{MA}
Option Overlay^A	Put Income - Realized Gain Gross ^A	11/1/2016	10.90	5.62	8.69	3.44	-	4.36
	Put Income - Realized Gain Net ^A	11/1/2016	10.27	4.37	7.44	2.19	-	3.11
	Market Indicator <i>S&P 500® Index</i>		16.89	19.59	14.60	12.31	-	13.77

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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