

"If it trades like a bull market, it's a bull market."  
Colm O'Shea

**Bull Markets Historically Last Longer Than Many Think**

You wouldn't know it from the news cycle, but the stock market is in a "bull market" that started in October of 2022 after a 9-month, -25% drop in the S&P 500 bear market. As you can see in the chart below, bull markets (shown in blue) often are boring and last a long time while bear markets (shown in gold) are shorter and scarier. According to Ryan Detrick at Carson Research the average bull market over the last 75 years has lasted 61 months, or just over 5 years. As of today, we are 21 months into the current one.

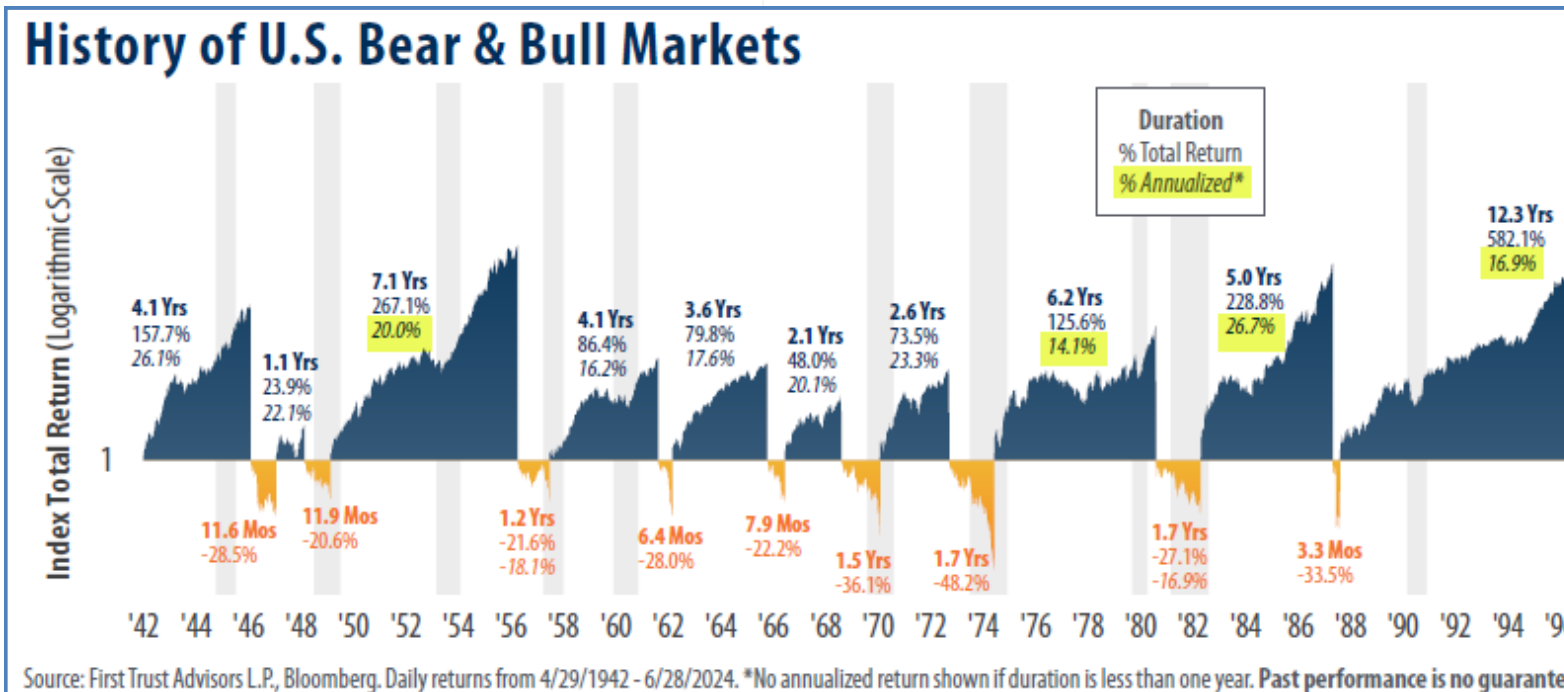
Many of you reading this missive are somewhat punch-drunk from the post-COVID barrage of news, both political and economic, and find it hard to believe anything is good about the current environment. Although, the things that drive stock prices (so boring they get little news coverage) like sales, earnings, profit margins, and productivity have been very strong and mostly getting stronger. Result? Bull market.

COVID screwed a lot up, including giving us the shortest bear market in history of only 1.1 months, crazy fiscal response from the Fed, and wild spending. Through it all, the economy

kept chugging along, which puts us where we are today. The current bull market has been panned by bears because of the dominance of tech stocks, however in the last couple of months the stock market has been broadening out and driving other sectors higher, which could help extend it. Also, the smaller companies, unloved for several years, have finally been getting some attention, which could also help extend the duration of the bull market.

Of the bull markets in the last eight decades, six have lasted longer than average. However, notice that five of those happened after 1974 while, before 1974, only one was long. In the 1970s the U.S. went off the gold standard and the Fed started intervening more. I'm not sure that has anything to do with it, but regardless, bull markets have generally been longer in the last 50 years than they were prior to that.

So if we are in the early stages of a 5-year bull market, where might the S&P 500 or Dow Jones Industrials be in late 2027? We'll guesstimate two different ways using the average returns of the long bull markets highlighted below.



## Financial Planning Tip!

CONSIDER A CASH-FLOW PLAN - Consider having a cash-flow plan done for you. This brings together all of your assets, income and expenditure in one place and acts like a personal balance sheet/income statement. One of the uses of cash-flow planning is to look at income sustainability in retirement and help inform a discussion about appropriate levels of investment risk. We can run a cash-flow plan for you as part of our service. Let your portfolio consultant know if you'd like one run.

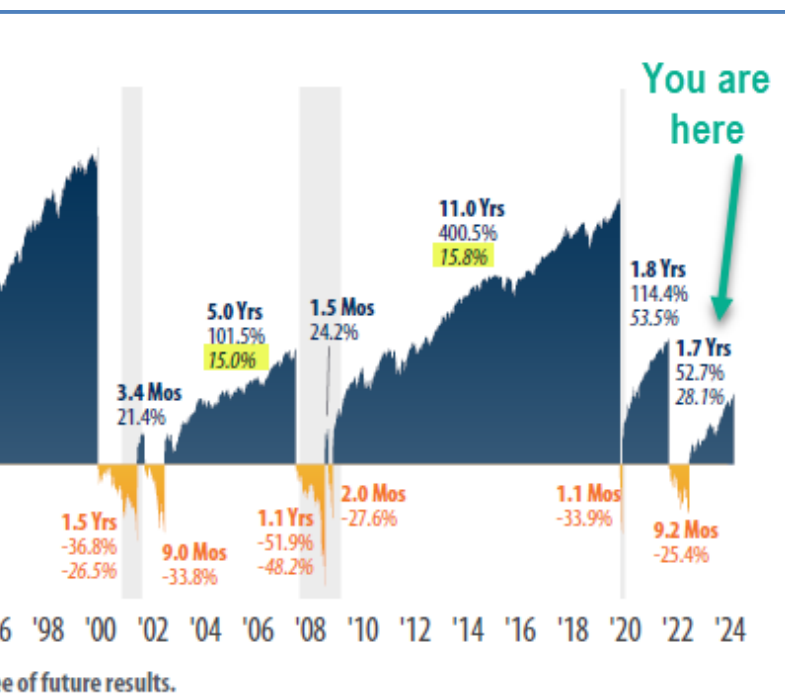
**#1** The worst annualized return of 14.1% was during the bull market from 1975 to 1981. Applying 14.1% annual returns to the October 2022 lows would put the S&P 500 at about 7000 by Christmas morning 2027; roughly 28% above today's price. Using the same multiplier on the Dow Industrials (DJIA) would put the DJIA at around 51,000.

**#2** The average annual return for the six long-term bull markets (all of the highlighted numbers) was 18% annually. Applying 18% annual returns to the current market would put the S&P 500 at about 8000 by Christmas morning 2027; roughly 46% above today's price. If the Dow Industrials (DJIA) did the same it would be around 58,000.

Either 7 or 8K on the S&P 500 sounds OK to us. I know it's hard to imagine the DJIA being between 51K and 58K at the start of the next Presidential election year, but it's certainly plausible.

### Portfolio Updates

Earnings season combined with typical summer pullbacks could make the next couple of months a little bumpier than normal. The summer/early fall months before elections can be volatile. Solution? Watch more Hallmark movies.



### Dividend Growth & Income

Our tech and healthcare weightings have helped the portfolio outperform so far in 2024. A lot of dividend increases too.

### Bulls of the Dow

The Bulls caught back up and passed the DJIA for 2024. Still only a single digit return, but the Bulls are holding their own.

### IntelliBuilD Growth™

An eclectic blend of growth stocks from IBD 50 and William O'Neil lists. The recent broadening market could help the 60% of our holdings that aren't tech stocks.

### Outlier Growth

The best of our offerings in the first half of 2024 at 900 bps ahead of the S&P 500.

### Covered Call

Our goal is to buy a stock, sell a call, stock goes up, gets called. Call premiums can cushion a downdraft too.

### Real Estate Income and Growth

REITs are very out of favor (historically, anyway). If/when interest rates drop, good things may happen to REITs. Be alert.

### Preferred Income

At over 6%, 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** - Net-of-fees through June, we have booked more gains than our average YEAR. Increased volatility wouldn't be the worst thing. We're happy at 2024's halftime.

**Index Income** - Goal = manufacture cash-flow from volatility over a long period of time. It's a simple concept, but not easy. Through June, cash-flow was about 78% of our long-term average. Until recently, volatility has been at the lowest level since 2019, and premiums have been low too. We've seen this film before and volatility always finds a way to come back into the plot. Patience should pay off, but in the meantime watch another Hallmark movie.

## INNOVATIVE portfolios® Performance

Style (as of 6/30/2024)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	5.72	12.39	(0.20)	3.36	4.14	4.96
	Preferred Income Net	10/1/2011	5.06	11.00	(1.43)	2.09	2.86	3.67
	Benchmark ICE BofA Core+ Fixed Rate Pfd Index*		3.90	8.38	(3.25)	1.04	3.64	5.17
Growth & Income	Covered Call Income Gross	9/1/2010	5.42	11.90	5.13	9.98	7.50	9.03
	Covered Call Income Net	9/1/2010	4.76	10.50	3.84	8.63	6.17	7.69
	Benchmark CBOE S&P 500 BuyWrite Index		7.59	8.91	4.96	5.56	5.77	7.02
	Dividend Growth & Income Gross	7/1/2005	14.06	21.12	10.58	13.71	10.22	9.74
	Dividend Growth & Income Net	7/1/2005	13.33	19.59	9.21	12.32	8.86	8.39
	Benchmark Dow Jones U.S. Select Dividend Index		5.03	11.44	5.27	8.33	8.77	7.95
	Real Estate Income & Growth Gross	5/1/2017	2.19	9.49	1.58	5.32	-	6.34
Real Estate Income & Growth Net	5/1/2017	1.52	8.10	0.33	4.04	-	5.03	
Benchmark Dow Jones U.S. Select REIT Index		(0.55)	7.15	(0.14)	2.78	-	4.14	
Growth	IntelliBuild® Growth Gross	10/1/2013	9.60	17.37	10.08	14.52	11.17	12.29
	IntelliBuild® Growth Net	10/1/2013	8.90	15.88	8.72	13.11	9.81	10.91
	Benchmark S&P 500® Index		15.29	24.56	10.01	15.05	12.86	13.68
	Bulls of the Dow Gross	2/1/2013	6.31	14.39	8.27	10.61	12.76	13.83
	Bulls of the Dow Net	2/1/2013	5.64	12.96	6.94	9.25	11.38	12.43
	Benchmark Dow Jones Industrial Average Index		4.79	16.02	6.42	10.33	11.30	12.06
	Outlier Growth Gross	11/1/2020	25.14	37.62	10.26	-	-	16.28
	Outlier Growth Net	11/1/2020	24.36	35.90	8.89	-	-	14.84
Benchmark S&P 500® Growth Index <sup>6</sup>		23.56	32.52	9.42	-	-	15.75	
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	2.14	3.87	3.97	5.27	-	5.13
	Index Income - Cash Flow Net**	7/1/2016	1.51	2.62	2.72	4.02	-	3.88
	Index Income Total Return Gross	7/1/2016	2.01	4.28	2.76	4.06	-	4.13
	Index Income Total Return Net	7/1/2016	1.38	3.03	1.51	2.81	-	2.88
	Market Indicator S&P 500® Index		15.29	24.56	10.01	15.05	-	14.73

## Sheaff Brock® Performance

Style (as of 6/30/2024)	(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	5.75	9.02	3.58	4.69	-	4.82
	Put Income - Realized Gain Net <sup>A</sup>	11/1/2016	5.12	7.77	2.33	3.44	-	3.68
	Market Indicator S&P 500® Index		15.29	24.56	10.01	15.05	-	15.12

### 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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**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.

<sup>9</sup>In 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. <sup>†</sup>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. <sup>\*</sup>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. <sup>\*\*</sup>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). <sup>††</sup>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. <sup>†††</sup>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. Sheaff Brock does not pay for applying for the award; however, Sheaff Brock does pay for use of the CNBC Financial Advisor 100 logo. 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.