Sheaff Brock
Innovative Portfolios for Intelligent Investors®

CNBC 2024 Financial Advisor 100

Market Update
November 2024

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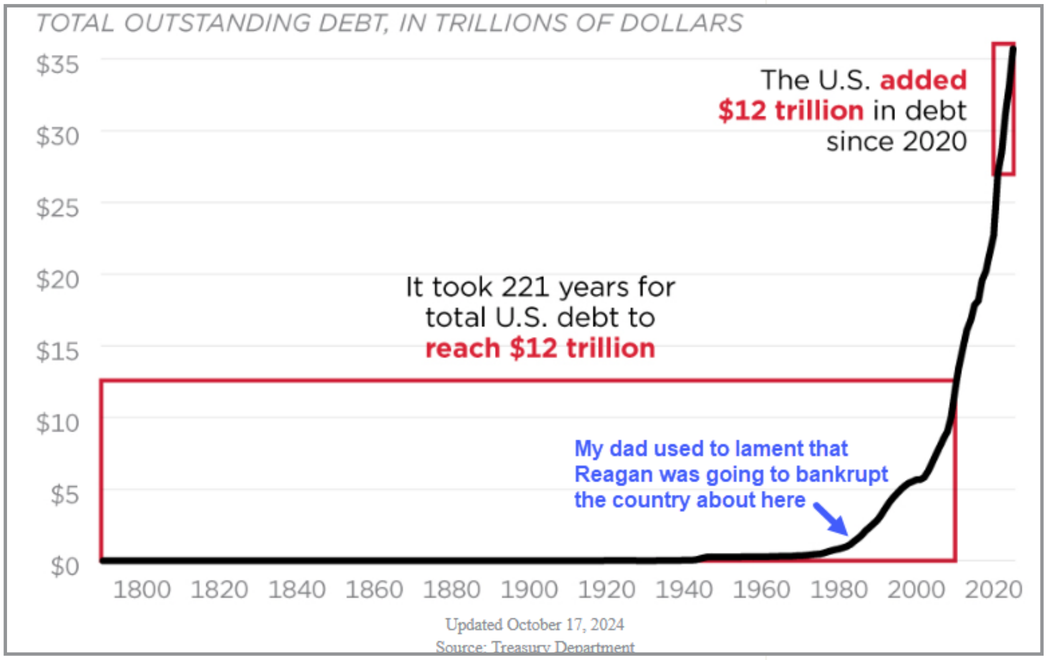
"People are so worried about what they eat between Christmas and New Years, but they really should be worried about what they eat between the New Years and Christmas." — Anonymous

Is the United States Going Broke? *(Hint...No)*



Currently, there is a lot of angst about the amount of federal spending, the effects of Trump's plans on the budget, and the unsustainability of the U.S. Treasury's debt level. The popular view is that government debt levels are reaching a tipping point that will lead to calamity, cause a debt crisis, and break the value of the almighty Dollar.

It's true that U.S. government debt is enormous. Look at the chart above that shows the amount of public debt from 1780 through today; scaring the bejesus out of rational people.

You've no doubt heard the U.S. is spending as much on interest as we do on defense, two trillion dollar deficits are bad and getting worse, and that we run the risk foreign governments will stop buying our bonds, thus collapsing the dollar.

I'd heard this sad prediction for over 50 years, and so far, the U.S. seems to be doing just fine. What gives? The debt was going to kill us when it was $2 trillion, and now it's $36T.

Government debt gets people jacked up because the numbers are so huge. But, you can't just look at the debt in isolation. After all, $1 million of debt to an unemployed high school kid is a lot different than $1 million of debt to a bigshot surgeon.

Instead of just looking at the absolute numbers we should look at the debt through the lens of the $30+ trillion U.S. economy. When viewed this way, the debt seems historically in-line. According to *A Wealth of Common Sense*:

- Interest costs. Since 1950, the percent of GDP spent by the federal government on interest costs has varied between 1.25% and 3.25%. Currently, interest as a percent of GDP is 2.38%. This is about 1% more than it was for most of the last 20 years, *but below the level of much of the 1980s and 90s*.
- Government spending. Since 1970, government spending as a percentage of GDP has generally been between 18% and 25% of GDP. During the pandemic it briefly skyrocketed to 45%. Now, spending is back in the normal range at 23% of GDP. Average really.

These two points don't take away from the fact that the U.S. has a ton of debt, but it does illustrate how the debt relative to the economy is in the same range as the last half-century.

As Ben Carlson said in his blog, *"The thing you have to understand is the United States government does not operate like a household when it comes to debt. You pay your mortgage off over time and eventually retire that debt.*

The government's budget is not at all like a household budget. First of all, the government can print its own currency. That helps in a pinch and it's the main reason our government can't go broke. Inflation is the true constraint when it comes to politicians spending money.

As long as the economy is growing, debt should be growing too. I would be more worried if you told me government and consumer debt were going down in the coming decades. That would mean something is seriously wrong with the economy.

Debt grows as assets grow (remember government debt is an asset in the form of bonds for investors). Debt grows because

Financial Planning Tips! (repeats from last month but super-timely)

- It's almost too late to complete year-end deadlines, but you might have a few days if you're lucky: 529 contributions, 401k contributions, Roth conversions, charitable contributions, required minimum distributions (*a biggie*), gifting money to reduce your estate, etc. Get in touch with your portfolio consultant (Jared, Tiffany, Emily, or Matthew) or any of the service team with questions. Get 'er done...now!
- Also, you have a few days left to try offsetting capital gains. Have a conversation with your portfolio consultant about ways we might be able to help with your tax bill.

the economy grows. Income grows. Prices grow. So of course debt will rise.

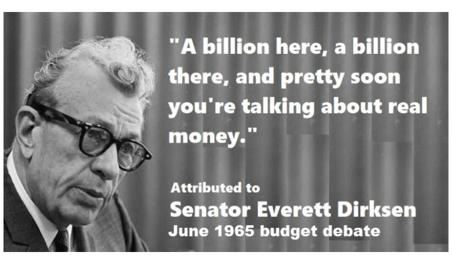
You can nitpick about the ways in which our politicians spend the money. There are certainly areas where the government can cut back and become more efficient. But as long as the pie keeps growing it makes sense the debts will grow too.

Your biggest long-term worry about government spending should not be a day of reckoning where there's some magic level that causes a financial crisis. The biggest worry about government spending is inflation risk."

Bottom line: Our debt is high because our economy is gigantic.

Regarding government debt, be careful what you ask for. On January 8, 1835, President Andrew Jackson achieved his goal of entirely paying off the United States' national debt. It was the only time in U.S. history that the national debt stood at zero, and it only lasted several months. The economy slowed so much that it precipitated a depression and one of the worst financial crises in American history.

The U.S. has a growth-of-spending problem which ultimately will be dealt with. Either the "bond vigilantes" will force it, or the citizens will force it at the ballot box. Someday, billions just might be cut from the budget. Who knows, maybe the DOGE guys will find some waste. They likely won't need to look too hard.



Portfolio Updates

Any discussion about equity portfolio performance is kind of moot since October was pretty bad for most stocks, whereas November has been quite strong for equities. But, through October:

Dividend Growth & Income
Through October, this offering has continued its strong showing. The fact that "value" stocks (which include many of our dividend payers) have been reasonably slow to get going and lagging the more growthy counterparts gives us confidence the strong relative performance could continue. The market has been rotating and broadening into sectors other than technology, and that broadening could be in the early innings. This all-weather portfolio is in its 20th year and acts like the Energizer Bunny by beating its benchmark gross-of-fees over every period listed on the performance table: YTD, 1, 3, 5, 10-years, and since inception.

Bulls of the Dow
After a slow start in the early months of 2024, The Bulls caught a bit of a spurt to get about even with the DJIA this year. The offering is solid over the long-term. The "value" rotation won't hurt.

IntelliBuilD Growth™
Growth stocks from IBD 50 and William O'Neil lists. Since we focus on growth stocks with low downside risk metrics, our low-double-digit return year-to-date has been OK. This year it's more akin to Reasonably-smart-build than IntelliBuilD.

Outlier Growth
Our best "growth" offering so far in 2024, but lagging the benchmark. 2024 has been spotty for many growth stocks.

Covered Call
Our goal: buy a stock, sell a call, stock goes up, gets called. After lagging through the first half of 2024, recent picks have been good enough to propel our composite ahead of our benchmark.

Real Estate Income & Growth
Last month, the REIT portfolio fell by about half as much as its benchmark. This is having a really solid year.

Preferred Income
Preferreds pay a reasonably high dividend yield which is mostly taxed as a qualified dividend. On track for its best year in 5-years.

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.*

Our option overlays have proven to be interesting and effective *additive-income* offerings over the long-term.

Put Income - So far in 2024, we are well above our long-term average year. Generally, this has been a very good year; a few problem children like always, but mostly a well-behaved bunch.

Index Income - Goal = manufacture cash-flow from index volatility over a long period of time. A simple concept; not easy. Volatility (VOL) has low-ish for most of 2024. VOL has a direct impact on premiums. VOL higher = premiums higher = higher cash-flow and visa-versa. The bull market has helped our batting average, but low VOL has made the income a bit below normal.

INNOVATIVE portfolios® Performance

Style (as of 10/31/2024)	(Average Annual) (%)	*Inception Date*	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	**Preferred Income** Gross	*10/1/2011*	11.97	21.13	1.84	3.57	4.53	5.29
	Preferred Income Net	*10/1/2011*	10.58	19.64	0.58	2.30	3.25	3.98
	Benchmark *ICE BofA Core+ Fixed Rate Pfd Index*[+]		10.99	24.80	(1.15)	1.55	4.12	5.57
Growth & Income	**Covered Call Income** Gross	*9/1/2010*	14.91	29.25	7.27	10.92	8.39	9.47
	Covered Call Income Net	*9/1/2010*	13.48	27.64	5.96	9.55	7.05	8.11
	Benchmark *CBOE S&P 500 BuyWrite Index*		12.99	18.52	4.61	6.05	6.39	7.22
	Dividend Growth & Income Gross	*7/1/2005*	24.34	41.38	12.44	14.50	10.79	10.06
	Dividend Growth & Income Net	*7/1/2005*	22.79	39.62	11.05	13.10	9.43	8.69
	Benchmark *Dow Jones U.S. Select Dividend Index*		18.57	34.25	8.84	10.19	9.83	8.49
	Real Estate Income & Growth Gross	*5/1/2017*	17.38	36.43	2.99	7.18	-	8.02
	Real Estate Income & Growth Net	*5/1/2017*	15.90	34.71	1.71	5.87	-	6.67
	Benchmark *Dow Jones U.S. Select REIT Index*		11.32	35.66	0.59	3.53	-	5.52
Growth	**IntelliBuilD® Growth** Gross	*10/1/2013*	13.67	33.47	7.06	14.87	11.60	12.27
	IntelliBuilD® Growth Net	*10/1/2013*	12.24	31.79	5.72	13.46	10.23	10.87
	Benchmark *S&P 500® Index*		20.97	38.02	9.08	15.27	13.00	13.74
	Bulls of the Dow Gross	*2/1/2013*	11.09	24.72	8.96	10.58	12.83	13.83
	Bulls of the Dow Net	*2/1/2013*	9.70	23.16	7.62	9.22	11.45	12.41
	Benchmark *Dow Jones Industrial Average Index*		12.50	28.85	7.42	11.37	11.65	12.37
	Outlier Growth Gross	*11/1/2020*	18.75	41.83	4.53	-	-	13.33
	Outlier Growth Net	*11/1/2020*	17.24	40.03	3.21	-	-	11.86
	Benchmark *S&P 500® Growth Index*[&]		27.35	43.67	6.71	-	-	15.22
Option Overlay[*]	**Index Income - Cash Flow** Gross**	*7/1/2016*	3.55	4.05	3.56	5.10	-	5.09
	Index Income - Cash Flow Net**	*7/1/2016*	2.30	2.80	2.31	3.85	-	3.82
	Index Income Total Return Gross	*7/1/2016*	3.11	7.00	2.33	3.83	-	4.10
	Index Income Total Return Net	*7/1/2016*	1.86	5.75	1.08	2.58	-	2.83
	Market Indicator *S&P 500® Index*		20.97	38.02	9.08	15.27	-	14.76

Sheaff Brock® Performance

Style (as of 10/31/2024)	(Average Annual) (%)	*Inception Date*	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception[^^]
Option Overlay[^]	**Put Income - Realized Gain Gross**[^]	*11/1/2016*	6.50	7.65	3.05	4.49	-	4.86
	Put Income - Realized Gain Net[^]	*11/1/2016*	5.25	6.40	1.80	3.24	-	3.58
	Market Indicator *S&P 500® Index*		20.97	38.02	9.08	15.27	-	15.14

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.

[&]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. [+]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 2024 CNBC Financial Advisor 100 (ranked 7th 10/2/24), 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 40,896 RIA firms for 2024, 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 903 RIAs for 2024, 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.