

“The big money is not in the buying and selling, but in the waiting.”
Charlie Munger

Reread the quote. Big money is in the waiting. Absolute truth.

Two potentially good things for the stock market:

1. **Biden is running for reelection.**
2. **The Fed says they are keeping the Federal Funds rate “higher for longer”.**



I know those aren't two things most people would associate with a good stock market, but stick with me here.

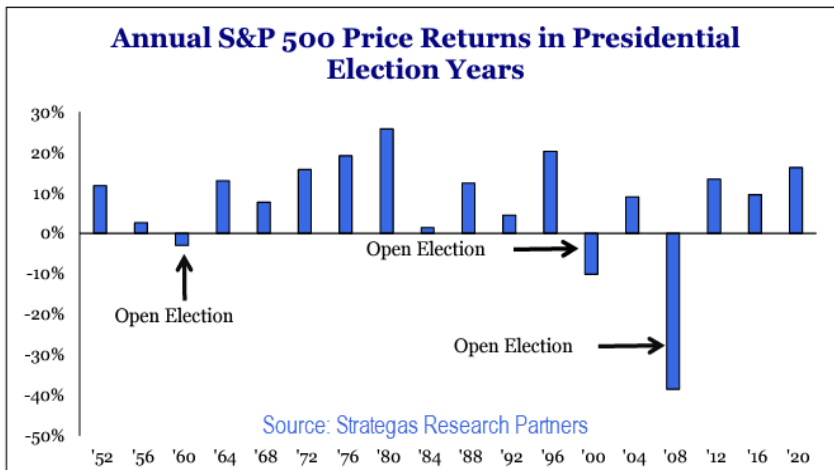
“**RUN JOE RUN**” is what stock market investors should be chanting. Here's why. The chart below in the **blue box** shows the return of the S&P 500 for every presidential election year in the last 70 years. Two interesting observations: First, out of 18 election years only 3 were negative. A batting average of .800 ain't too shabby in and of itself. Second, when an incumbent was running the stock market never declined in an election year! As Strategas says, “*This makes sense. Presidents want to be re-elected and*

will use whatever policy levers are needed to boost the US economy. We have noticed that presidents like to prime the pump in the year prior to the presidential election with the hope that the stimulus feeds into the economy in the actual election year. Data proves this. The best performing year for stocks of the four-year presidential cycle is year 3 of a president's term, and real GDP growth is strongest in the presidential election year. This effect is stronger for both stocks and growth in the cycles of an incumbent running for re-election compared to an open election. Interestingly, the current cycle is matching up nearly perfectly with the historical cycle heading into 2024.”

“**Higher for longer**” is what the Fed has been saying for quite some time, but now they have paused a bit, and may be done, or at least near the end of the cycle. As a *Wall Street Journal* article on November 5th pointed out, “*That would be welcomed by interest-rate-sensitive borrowers and lenders after more than a year and a half of rate increases. But what does a rate peak mean for investors' portfolios, and how can they take advantage of it? The simple answer: Stocks, especially small-caps and growth companies, are the asset classes that fare best during periods when rates peak and then plateau. But there is a caveat—most of the benefits accrue during the first half of the plateau*”.

THE S&P 500 HAS NOT DECLINED IN A PRESIDENTIAL RE-ELECTION YEAR SINCE 1952

Since 1952, the S&P 500 has not declined in a year in which an incumbent president was running for re-election. Stocks have declined in presidential election years, but in each of those cases it was a year in which there was an open election with no incumbent running (1960, 2000, and 2008).

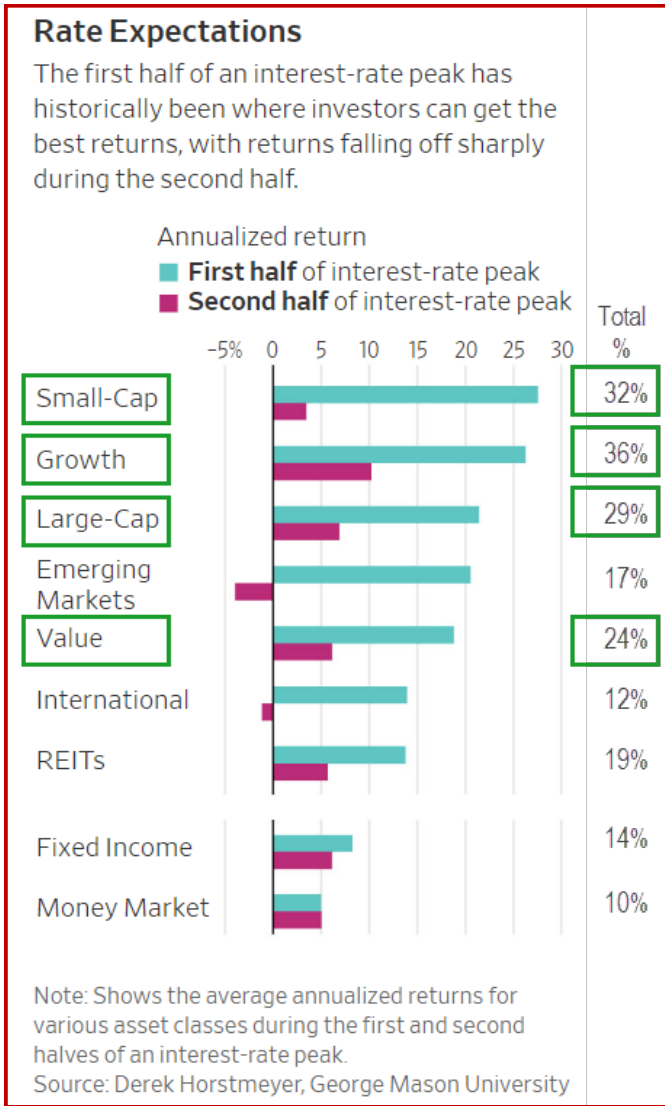


The chart in the **red box** on the next page shows what different asset classes return when rates stay plateaued after the Fed has raised them. This uses data going back 50 years and shows (green boxes) the clear winners are various parts of the U.S. stock market with total returns during the whole plateau between the mid-twenties and mid-thirties percent.

The one-two combo could be just what the stock market needs to fight itself out of the corner and bust free of the two year rope-a-dope malaise it has been stuck in.

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:

It's open enrollment time! Even if you're happy with your healthcare or Medicare plan, make sure to review all available choices because the costs, provider networks and coverage for health care and prescriptions can change. Make sure to compare options for both spouses and look at total costs, not just premiums.



Claus will continue delivering the nice rally that started about the first of November. If so, and since you've read this far, at least you won't be surprised.

Dividend Growth & Income

Our dividend stocks have held up pretty well this year, especially compared to our benchmark, the Dow Jones Select Dividend Index. We may make a tweak to the portfolio soon (purge a couple of stinkers), but will be cognizant of capital gains. We know you may want to push gains into next year.

Bulls of the Dow

The Bulls have started to pick up their lumbering pace from earlier in the year. Two new additions this quarter of Home Depot and Salesforce may be the feed the bulls need.

IntelliBuild Growth™ and Outlier Growth

33 growth stocks in each portfolio. Year-to-date returns in the teens are solid. Growth has beat value so far in 2023; the giant technology stocks have dominated. We've held our own.

Covered Call

Lagging the benchmark this year, but still ahead long-term.

Real Estate Income and Growth

REITs have been punished by rising interest rates and have struggled to find footing. Look at the bar graph in the next column...might be their time.

Preferred Income

Preferreds have also been punished by rising rates. Lower prices = higher dividend yields.

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 - Gains captured this year have been excellent. As the notional exposure of the index positions can be reduced, new opportunities for individual puts can be considered.

Index Income - Goal = manufacture cash-flow from volatility over a long period of time. Simple, but not always easy. The recent rally in the S&P 500 has helped our current positions move out-of-the-money. If the market can hold these levels, cash-flow could continue to improve. It's been a long slog.

Portfolio Updates

Below is a picture of the rope-a-dope malaise the stock market has been stuck in for the last couple of years. Maybe Santa



INNOVATIVE portfolios® Performance

Style (as of 10/31/2023)	(Average Annual) (%)	Inception Date	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	Preferred Income Gross	10/1/2011	2.55	2.60	(1.91)	1.59	3.84	4.08
	Preferred Income Net	10/1/2011	1.30	1.35	(3.13)	0.34	2.56	2.78
	Benchmark ICE BofA Core+ Fixed Rate Pfd Index		(2.52)	(2.09)	(5.88)	(0.43)	3.08	4.12
Growth & Income	Covered Call Income Gross	9/1/2010	2.26	4.90	8.55	7.65	6.93	8.10
	Covered Call Income Net	9/1/2010	1.01	3.61	7.23	6.33	5.61	6.76
	Benchmark CBOE S&P 500 BuyWrite Index		6.60	7.27	8.30	3.85	5.43	6.41
	Dividend Growth & Income Gross	7/1/2005	3.49	6.21	13.02	8.99	8.43	8.57
	Dividend Growth & Income Net	7/1/2005	2.21	4.90	11.63	7.66	7.10	7.22
	Benchmark Dow Jones U.S. Select Dividend Index		(10.32)	(7.53)	12.44	6.02	8.24	7.24
	Real Estate Income & Growth Gross	5/1/2017	(5.35)	(5.99)	7.68	4.72	-	4.21
Real Estate Income & Growth Net	5/1/2017	(6.50)	(7.13)	6.37	3.45	-	2.91	
Benchmark Dow Jones U.S. Select REIT Index		(6.49)	(6.25)	5.41	1.14	-	1.52	
Growth	IntelliBuild® Growth Gross	10/1/2013	9.65	12.98	10.63	11.50	9.98	10.36
	IntelliBuild® Growth Net	10/1/2013	8.30	11.58	9.27	10.15	8.63	8.98
	Benchmark S&P 500® Index		10.69	10.14	10.36	11.01	11.18	11.57
	Bulls of the Dow Gross	2/1/2013	2.88	3.31	8.47	8.90	12.19	12.87
	Bulls of the Dow Net	2/1/2013	1.62	2.04	7.15	7.56	10.81	11.46
	Benchmark Dow Jones Industrial Average Index		1.44	3.17	9.84	7.96	10.34	10.95
	Outlier Growth Gross	11/1/2020	15.11	16.20	5.16	-	-	5.16
	Outlier Growth Net	11/1/2020	13.70	14.77	3.79	-	-	3.79
Benchmark Russell 3000 Index		9.41	8.38	9.19	-	-	9.19	
Option Overlay*	Index Income - Cash Flow Gross**	7/1/2016	1.94	2.19	5.12	5.26	-	5.23
	Index Income - Cash Flow Net**	7/1/2016	0.69	0.94	3.87	4.01	-	3.95
	Index Income Total Return Gross	7/1/2016	7.66	6.10	3.52	3.73	-	3.71
	Index Income Total Return Net	7/1/2016	6.41	4.85	2.27	2.48	-	2.43
	Market Indicator S&P 500® Index		10.69	10.14	10.36	11.01	-	11.91

Sheaff Brock® Performance

Style (as of 10/31/2023)	(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	13.63	9.08	6.97	3.73	-	4.60
	Put Income - Realized Gain Net^	11/1/2016	12.69	7.83	5.72	2.48	-	3.35
	Market Indicator S&P 500® Index		10.69	10.14	10.36	11.01	-	12.19

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. *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 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.