Sheaff Brock.
Innovative Portfolios for Intelligent Investors®

CNBC 2023 Financial Advisor 100

Market Update
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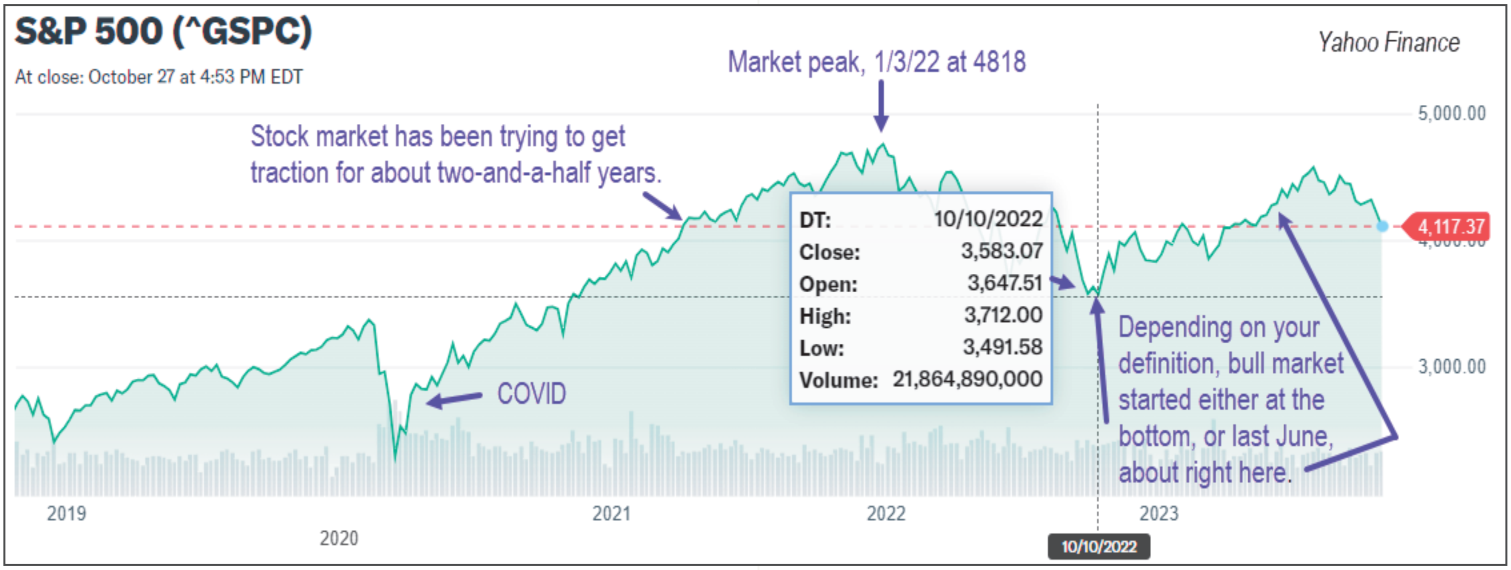
History repeats itself. So you might wanna pay attention.
Quavo (American musician)



As you can see in the chart, for most of the last two years the S&P 500 has been spinning its wheels trying to get traction. However, returns by the biggest S&P 500 ETF (SPY) still look OK. Through 10/27/23, SPY is +8.6% year-to-date, +9.8% over the last year, and +8.3% annually over the last three-years. It doesn't feel like a bull market, does it? It has been 22 months since the S&P 500 hit a new high, but by definition we are in a bull market. One year ago this month, the S&P 500 bottomed at about 3500 after getting wacked by about 25%, down from the high of 4800. Some people think the current bull market started at that year-ago bottom, whereas some don't start a new bull market until there is a 20%+ bounce off the bottom, which happened in June when the index crossed 4200 (as this is written the S&P 500 is at 4117). I'm not sure it matters whether the bull market started a year ago or five months ago, the fact is we are in a nascent bull market.

Earlier this month on 10/13, I read the following written by Ryan Detrick and thought it was worth reposting along with his table which is on the facing page: "*At the one-year mark this time the S&P 500 is up 22%* (blue box on table)*, which would put it at one of the weakest first years of a new bull market ever. In fact, the average first year has seen stocks gain nearly 39%. If we can avoid a recession next year, then there's a good chance for more solid gains in 2024. In fact, this was the worst first year to start a bull market since after the 1987 bear market, gaining "only" 21.4% that first year. The good news? The second year of that bull market was the strongest on record, up 29.0%. Could we see another outsized gain after modest gains this first year? We wouldn't want to bet against it."*

So, there is hope since we've seen this film before and every time the ending was good (right hand column in the table). Ryan's comparison to 1987 with the 29% gain during the up-coming 12 months would be great, but I think we all would be OK with even the average second year return of around 14%. A 14% return from 10/12/2023 would put the S&P 500 over 4900, which would still be an all-time high.

For most people it's hard to see that happening with all that is going on in the world: politics, wars, economic challenges, etc. But, all of the bear markets listed on the table coincided with many challenges, so we could be pleasantly surprised, once again. What I think is more interesting is that the past "second year" returns have always been positive. Always.

Could we see the positive record hold for the next 12 months and maybe even a new all-time high for the S&P 500? As Ryan said, we wouldn't want to bet against it.

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:

- *Are you enrolled in a high-deductible health plan? If so, you may be eligible to contribute to a Health Savings Account (HSA). HSAs offer a triple tax advantage! First, contributions are income tax-free, and if done through payroll deductions, are also not subject to Social Security or Medicare taxes. Second, investment earnings grow tax-deferred. And last but not least, withdrawals for qualified health expenses are income tax-free.*
- *Don't wait until December to think about charitable giving with appreciated securities. Some stock gifts can take weeks to process, so start planning now to ensure you beat the December 31st deadline for charitable deductions.*

Weak First Year for the Bull, But There's Hope

S&P 500 Performance After Bear (And Near Bear) Markets End (1950 - Current)

Bear Market Dates			S&P 500 Returns	
Start Date	End Date	S&P 500 Change	First Year Return	Second Year Return
8/2/1956	10/22/1957	(21.6%)	31.5%	9.7%
12/12/1961	6/26/1962	(28.0%)	32.7%	17.4%
2/9/1966	10/7/1966	(22.2%)	33.2%	6.6%
11/29/1968	5/26/1970	(36.1%)	44.5%	10.2%
1/11/1973	10/3/1974	(48.2%)	34.6%	21.2%
9/21/1976	3/6/1978	(19.4%)	12.8%	15.2%
11/28/1980	8/12/1982	(27.1%)	57.7%	2.0%
8/25/1987	12/4/1987	(33.5%)	21.4%	29.0%
7/16/1990	10/11/1990	(19.9%)	28.8%	5.7%
7/17/1998	8/31/1998	(19.3%)	37.9%	14.3%
3/24/2000	10/9/2002	(49.1%)	33.7%	8.2%
10/9/2007	3/9/2009	(56.8%)	68.6%	15.9%
4/29/2011	10/3/2011	(19.4%)	31.5%	16.9%
9/20/2018	12/24/2018	(19.8%)	37.1%	14.5%
2/19/2020	3/23/2020	(33.9%)	74.8%	15.4%
1/3/2022	10/12/2022	(25.4%)	22.4%	?
Average		(30.0%)	37.7%	13.5%
Median		(26.3%)	33.5%	14.5%
% Higher			100.0%	100.0%

Source: Carson Investment Research, FactSet 10/11/2023
@ryandetrick

CARSON

Portfolio Updates

I'm mostly out of room for the portfolio updates, and you won't get this in your mailbox until mid-November, when the September month-end numbers will be old news, so here are a few general items from FactSet as of 10/27/23 or the Fed as of 9/1/23:

√ Although it is still technically a bull market, last week the S&P 500 and the Nasdaq both had fallen over 10% from their highs, so are in a "correction". It's the S&P's 103rd correction on record according to Marketwatch (since 1926, which equals more than one per year).

√ Third quarter "earnings season" is about halfway over. It's been pretty good so far with 78% of S&P 500 companies reporting a positive EPS surprise and 62% of S&P 500 companies reporting a positive revenue surprise.

√ The S&P 500 is currently reporting year-over-year growth in earnings for the first time since Q3 2022.

√ Using the most common metric for valuation, the P/E ratio, the stock market is cheaper than long-term averages. Repeat: Market P/E is <u>lower</u> than average. The forward 12-month P/E ratio for the S&P 500 is 17.1, below the 5-year average (18.7) and below the 10-year average (17.5).

√ If you take the analyst's average target price for each stock and add them up, their one-year target price for the S&P 500 is 5082, which is 22.8% above the closing price of 4137. This estimate would line up nicely with the above table for a good "second year" return.

√ For all of the talk about how consumers are hurting, Real Personal Income hit an all-time high as of September 2023 according to the St. Louis Fed.

INNOVATIVE portfolios® Performance

Style (as of 9/30/2023)	(Average Annual) (%)	*Inception Date*	Year to Date	1 Year	3 Year	5 Year	10 Year	Inception
Fixed Income	**Preferred Income** Gross	*10/1/2011*	6.03	3.37	(0.45)	2.11	4.20	4.40
	Preferred Income Net	*10/1/2011*	5.08	2.11	(1.68)	0.86	2.92	3.12
	Benchmark *ICE BofA Core+ Fixed Rate Pfd Index*		3.01	(1.77)	(3.98)	0.34	3.78	4.63
Growth & Income	**Covered Call Income** Gross	*9/1/2010*	5.17	17.37	8.89	6.38	7.50	8.39
	Covered Call Income Net	*9/1/2010*	4.21	15.96	7.56	5.08	6.18	7.06
	Benchmark *CBOE S&P 500 BuyWrite Index*		7.33	14.62	7.22	2.83	5.87	6.51
	Dividend Growth & Income Gross	*7/1/2005*	6.54	21.35	13.43	8.03	9.36	8.78
	Dividend Growth & Income Net	*7/1/2005*	5.56	19.90	12.05	6.71	8.02	7.44
	Benchmark *Dow Jones U.S. Select Dividend Index*		(7.84)	4.84	14.08	5.76	9.09	7.43
	Real Estate Income & Growth Gross	*5/1/2017*	(2.44)	4.33	8.25	4.95	-	4.76
	Real Estate Income & Growth Net	*5/1/2017*	(3.32)	3.09	6.93	3.68	-	3.49
	Benchmark *Dow Jones U.S. Select REIT Index*		(2.05)	2.61	6.12	1.56	-	2.28
Growth	**IntelliBuilD® Growth** Gross	*10/1/2013*	13.80	25.23	11.20	10.31	10.86	10.86
	IntelliBuilD® Growth Net	*10/1/2013*	12.76	23.72	9.83	8.97	9.50	9.50
	Benchmark *S&P 500® Index*		13.07	21.62	10.15	9.92	11.91	11.91
	Bulls of the Dow Gross	*2/1/2013*	4.40	18.23	7.35	8.43	12.68	13.13
	Bulls of the Dow Net	*2/1/2013*	3.44	16.82	6.04	7.10	11.30	11.74
	Benchmark *Dow Jones Industrial Average Index*		2.73	19.18	8.62	7.14	10.79	11.17
	Outlier Growth Gross	*11/1/2020*	19.76	30.39	-	-	-	6.75
	Outlier Growth Net	*11/1/2020*	18.67	28.83	-	-	-	5.44
	Benchmark *Russell 3000 Index*		12.39	20.46	-	-	-	10.48
Option Overlay*	**Index Income - Cash Flow** Gross**	*7/1/2016*	1.26	1.67	5.25	5.21	-	5.20
	Index Income - Cash Flow Net**	*7/1/2016*	0.33	0.42	4.00	3.96	-	3.95
	Index Income Total Return Gross	*7/1/2016*	8.61	10.92	3.68	3.55	-	3.88
	Index Income Total Return Net	*7/1/2016*	7.67	9.67	2.43	2.30	-	2.63
	Market Indicator *S&P 500® Index*		13.07	21.62	10.15	9.92	-	12.38

Sheaff Brock® Performance

Style (as of 9/30/2023)	(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*		13.07	21.62	10.15	9.92	-	12.69

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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(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. 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.