

# Bulls of the Dow Performance as of September 30, 2019

## COMPANY PROFILE

Founded 11/2/2001

Registered Investment Advisor

Limited Liability Company (LLC)

Principals:

David S. Gilreath, CFP,<sup>®</sup>  
and Ron Brock

\$957.7 million total assets under  
management (as of 9/30/2019)

28 employees

## PORTFOLIO STRATEGIES

### GROWTH

Bulls of the Dow

IntelliBuild<sup>®</sup> Growth

### GROWTH & INCOME

Covered Call Income

Dividend Growth & Income

Real Estate Income & Growth

### FIXED INCOME

Preferred Income

### OPTION OVERLAY

Index Income Overlay

## PORTFOLIO DATA

### BULLS OF THE DOW

Inception Date: 2/1/2013

Number of Holdings: 10

Portfolio Minimum: \$50,000

### MANAGERS BY TENURE

David Gilreath 2/1/2013

Ron Brock 2/1/2013

## Strategy Overview

### DESCRIPTION

The Bulls of The Dow strategy is a fully invested portfolio focused on 10 stocks of the Dow Jones Industrial Average. Sheaff Brock takes a disciplined approach with the overall portfolio management, seeking a portfolio of individual stocks in order to generate long term capital appreciation with a secondary objective of dividend income.

The primary objective of the Sheaff Brock Bulls of the Dow portfolio strategy is twofold:

- 1 Identify and invest in stocks that offer the best opportunity to avoid downside risk
- 2 Identify and invest in stocks that have the opportunity to offer long term capital appreciation

The Sheaff Brock Bulls of the Dow portfolio is designed for growth, and the portfolio also seeks to offer income from dividends. The strategy invests in the top 10 stocks in the Dow Jones Industrial Average with the strongest fundamental scores and lowest downside risk attributes. The strategy is rebalanced on a quarterly basis with an emphasis on current rankings of the quantitative scores.

### INVESTMENT METHODOLOGY & PORTFOLIO CONSTRUCT

The strategy is a concentrated portfolio of 10 large capitalization stocks chosen from the Dow Jones Industrial Average based on a quantitative fundamental score. The score includes a comprehensive research and analysis that incorporates fundamental institutional research analysis in the determination of stock selection.

**First** An initial screen utilizes a fundamental value approach scoring each member of the Dow Jones Industrial Average on about 20 variables (e.g., free cash-flow, revenue stability, profitability changes and trend, leverage, stock price volatility and correlation, and earnings surprise persistency).

**Second** The data is used for analysis focused on downside risk; this measures the risk of a stock versus the potential return, with the goal being to avoid downside risk.

The outcome produces a "score" based on the comprehensive analysis and research for each stock in consideration that is then ranked and reviewed quarterly by the Sheaff Brock Investment Committee for buy/sell decisions.

# Bulls of the Dow

This strategy is designed for the growth-oriented investor, but also offers dividend income. The portfolio holds the ten stocks in the Dow Jones Industrial Average with the strongest research scores. Scores derived from 22 data points such as free cash-flow, earnings growth, leverage, volatility, analyst revisions, etc., focus first on avoiding downside risk, and also help evaluate upside potential.

## ANNUAL PERFORMANCE

(as of 9/30/2019)

Average (Annual)	Bulls Gross	Bulls Net	DJIA
2019 YTD	17.03%	15.96%	17.51%
1 yr.	8.20%	6.87%	4.21%
3 yr.	20.64%	19.16%	16.44%
5 yr.	14.40%	12.99%	12.28%
Inception*	16.03%	14.59%	13.19%
Cumulative*	169.26%	147.90%	128.47%

## RISK MEASUREMENTS AND PERFORMANCE<sup>§</sup>

(as of 9/30/2019)

Risk Measures	3-Year	5-Year	10-Year
Standard Deviation	13.41	13.44	—
Sharpe	1.35	1.00	—

	Strategy vs. S&P 500 TR		
R-Squared	80.99	82.67	—
Alpha	6.52	3.14	—
Beta	0.99	1.02	—

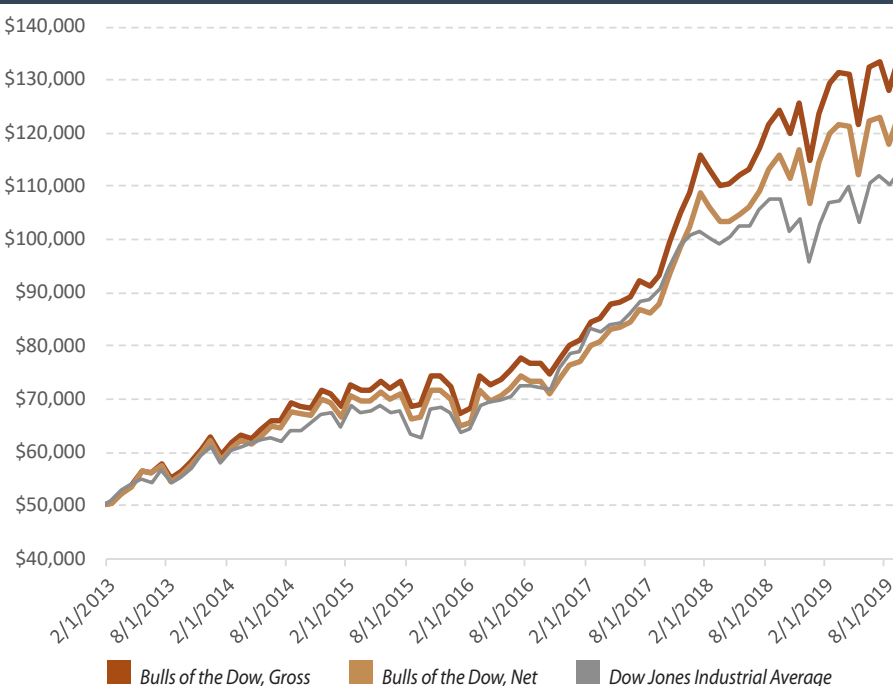
## SIZE AND STYLE<sup>§</sup>

(as of 9/30/2019)

	Value	Blend	Growth
Large			
Medium			
Small			

Style is calculated only using the long position holdings of the portfolio

## GROWTH OF \$50,000 INVESTMENT\*



## ANNUAL PERFORMANCE RETURNS

(as of 9/30/2019)

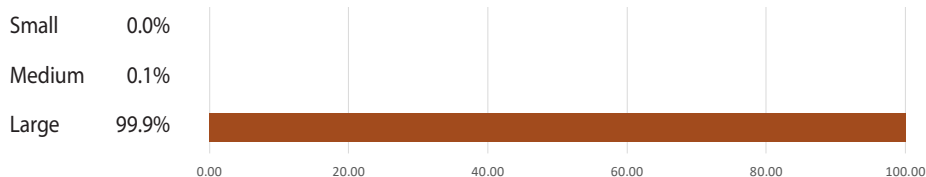
History	2013 <sup>^</sup>	2014	2015	2016	2017	2018	2019 YTD
Bulls of the Dow, Gross	25.75%	12.83%	2.21%	10.76%	35.39%	5.80%	17.03%
Bulls of the Dow, Net	24.35%	11.41%	0.96%	9.35%	33.76%	4.51%	15.96%
Dow Jones Industrial Average	22.41%	10.04%	0.21%	16.50%	28.11%	(3.48%)	17.51%

\*For the period beginning 2/1/2013 through 9/30/2019. <sup>^</sup>For the period 2/1/2013 through 12/31/2013.

Net Performance is net of actual commissions and a maximum fee of 1.25%, and includes investment of all dividends and interest. See the last page for additional information and disclosures.

## MARKET CAPITALIZATION (% Equity)

(as of 9/30/2019)



# Analytics

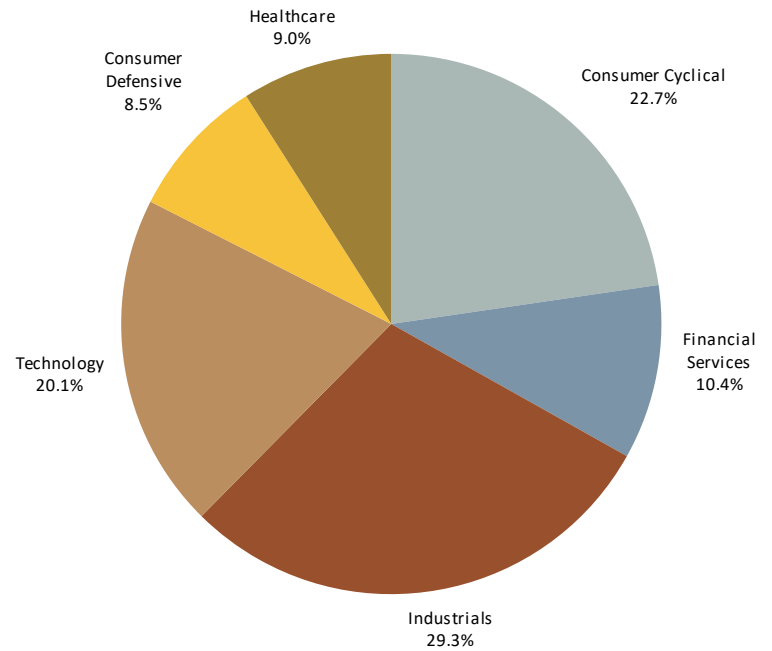
## TOP 10 EQUITY HOLDINGS

(as of 9/30/2019)

	Sector <sup>§</sup>	% Net Assets
The Home Depot Inc	Consumer Cyclical	11.26
Nike Inc B	Consumer Cyclical	10.61
International Business Machines Corp	Technology	10.47
United Technologies Corp	Industrials	10.09
JPMorgan Chase & Co	Financial Services	10.05
Boeing Co	Industrials	9.62
Cisco Systems Inc	Technology	8.78
UnitedHealth Group Inc	Healthcare	8.67
Caterpillar Inc	Industrials	8.65
Walgreens Boots Alliance Inc	Consumer Defensive	8.24

## SECTOR ALLOCATION<sup>§</sup>

(as of 9/30/2019)



## ANNUAL PORTFOLIO PERFORMANCE SINCE INCEPTION

(as of 12/31/2018)

Year End	Composite Assets			Annual Performance Results			3-yr. St. Dev. (Annualized)	
	Total Firm Assets (millions)	(USD) (millions)	No. of Accounts	Benchmark (DJIA)	Gross Composite	Net Composite	Benchmark (DJIA)	Composite
2018	845	13.9	92	(3.48%)	5.80%	4.51%	11.52%	12.54%
2017	1,042	9.0	68	28.11%	35.39%	33.76%	10.99%	12.33%
2016	1,052	4.3	46	16.50%	10.76%	9.35%	11.29%	12.46%
2015	1,100	3.2	39	0.21%	2.21%	0.96%	N/A	N/A
2014	1,130	1.8	22	10.04%	12.83%	11.41%	N/A	N/A
2013 <sup>^</sup>	613	0.9	10	22.41%	25.75%	24.35%	N/A	N/A

## FUNDAMENTAL METRICS<sup>§</sup>

(as of 9/30/2019)

Equity Holdings	
Price/Earnings <sup>§§</sup>	17.65
Price/Book <sup>§§</sup>	3.55
Price/Sales <sup>§§</sup>	1.45
ROE	35.55%
ROA	9.32%

<sup>§</sup>Forward-looking based on historical data

<sup>^</sup> Composite and benchmark performance are for the period 02/01/2013 through 12/31/2013.

<sup>\*\*</sup> Benchmark used is the Dow Jones Industrial Average (DJIA).

## SUPPLEMENTAL INFORMATION (as of 9/30/2019)

	Annual Performance Returns - Institutional (Net of Fees) vs Benchmark (DJIA) <sup>&amp;</sup>							Rolling Average (Net, Annualized)				Cumulative
	2013 <sup>^</sup>	2014	2015	2016	2017	2018	2019 YTD	1 Year	3 Year	5 Year	Inception	Inception
Institutional, Net	25.30%	12.38%	1.81%	10.31%	34.86%	5.39%	16.68%	7.78%	20.16%	13.94%	15.56%	162.24%
Benchmark <sup>**</sup>	22.41%	10.04%	0.21%	16.50%	28.11%	(3.48%)	17.51%	4.21%	16.44%	12.28%	13.19%	128.47%

<sup>&</sup> Supplemental Information consisting of the Institutional Performance (Net of Fees), is for the period beginning 2/1/2013 through 9/30/2019. Net Performance is net of actual commissions and a maximum model fee for Institutions of 0.40%, and includes investment of all dividends and interest. Institutional Performance (Net) is supplemental information to the Annual Portfolio Performance Presentation.

# Bulls of the Dow

*Bulls of the Dow is a proprietary investment strategy of Sheaff Brock Investment Advisors, LLC, an independent investment management firm that builds and maintains innovative portfolios for intelligent investors. The firm manages more than \$965 million in assets for high-net-worth individuals nationwide.*

## Bulls of the Dow Composite

was created February 1, 2013. The Bulls of the Dow Composite consists of fully discretionary portfolios, including those accounts no longer with the firm. The investment objective of the portfolio is capital appreciation and dividend income. A concentrated portfolio investing in approximately 10 stocks of the Dow Jones Industrial Average (DJIA). The composite is measured against the DJIA.

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Performance information shown for each composite is presented gross and net of investment management fees. Net returns are net of model fees and are derived by deducting the highest applicable fee rate of 1.25% from the gross returns each quarter. Returns have been reduced by transaction costs and include the reinvestment of investment income (dividends/interest). Valuations and returns are stated in US dollars. Trade date accounting is used. Portfolio returns are calculated using time-weighted return methodology on a monthly basis. Composite results consist of all client accounts that are, at a minimum, 80% invested in the strategy and invested for a full month or more. The composite description and the policies for valuing portfolios, calculating performance and preparing composites is available upon request. The performance prior to 1/1/2018 for the Bulls of the Dow strategy was examined by ACA Performance Services, LLC.

## INDEXES

**Dow Jones Industrial Average (DJIA)** is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.

**Standard & Poor's 500 Index (S&P 500)** is a market value weighted index comprised of 500 of the largest publicly traded U.S. companies.

**S&P Midcap 400 Index** is a value weighted index comprised of mid-sized companies. To be included in the index, a stock must have a total market capitalization that ranges from \$750 million to \$3 billion.

**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 cap greater than \$100 million and a maturity of at least one year or longer.

**CBOE S&P 500 BuyWrite Index** is a benchmark index designed to track the performance of a hypothetical buy-write strategy on the S&P 500 Index. It is a passive total return index based on (1) buying an S&P 500 stock index portfolio, and (2) "writing" (or selling) the near-term S&P 500 Index "covered" call option, generally on the third Friday of each month. The S&P 500 Index call written will have about one month remaining to expiration, with an exercise price just above the prevailing index level (i.e., slightly out of the money). The S&P 500 Index call is held until expiration and cash settled, at which time a new one-month, near-the-money call is written.

**Dow Jones Select Dividend Index** is a benchmark of the leading 100 US stocks by dividend yield, subject to screens for dividend-per-share growth rate, dividend payout ratio and average daily trading volume.

**Barclays US Aggregate Index** is a broad-based benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, mortgage pass-through and asset-backed securities. All securities in the index have 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.*

*Holdings-based data is subject to change. Portfolio holdings are provided for informational purposes only and should not be deemed as a recommendation to buy or sell any security.*

<sup>5</sup>Source: Morningstar, Inc as of 9/30/2019