Happy Birthday, Bulls of the Dow!

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Happy 10th Birthday to Innovative Portfolio's Bulls of the Dow Strategy! Since its inception on February 1, 2013, the strategy has had an excellent track record, including beating the benchmark Dow Jones Industrial Average (DJIA) and S&P 500 Index over its 10-year lifespan (gross of fees). The Bulls of the Dow Strategy operates with the theory that avoiding companies with the potential for loss is the best way to succeed. And while the strategy may seem simple on the exterior, it is actually more sophisticated through its use of quantitative scores for downside risk.

Performance ending 6/30/2023	Annualized Return						
Description	YTD	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception
Bulls of the Dow (Gross)	7.35%	15.20%	8.95%	11.08%	14.27%	13.03%	13.77%
Bulls of the Dow (Net of Fees)	6.69%	13.84%	7.62%	9.72%	12.88%	11.64%	12.38%
Dow Jones Industrial Average Total Return	4.94%	14.23%	12.30%	9.59%	12.25%	11.26%	11.68%
S&P 500 - Total Return	16.89%	19.59%	14.60%	12.31%	13.38%	12.86%	13.17%

Prior to January 1, 2021, the performance results were from accounts managed at Sheaff Brock Investment Advisors, LLC. The same investment management team has managed the composite since its inception, and the investment process has not changed. Performance data quoted represents past performance; past performance does not guarantee future results.

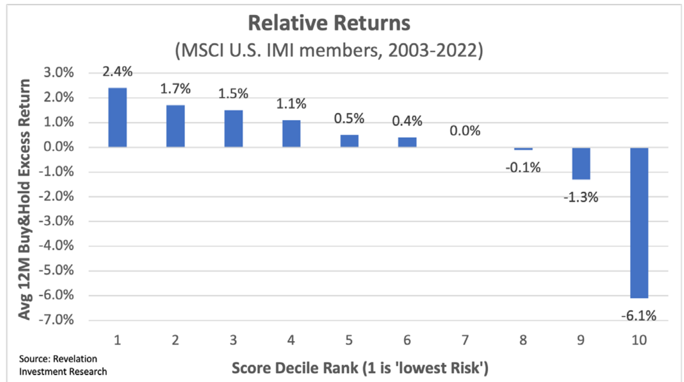
Origins of The Bulls of the Dow Strategy

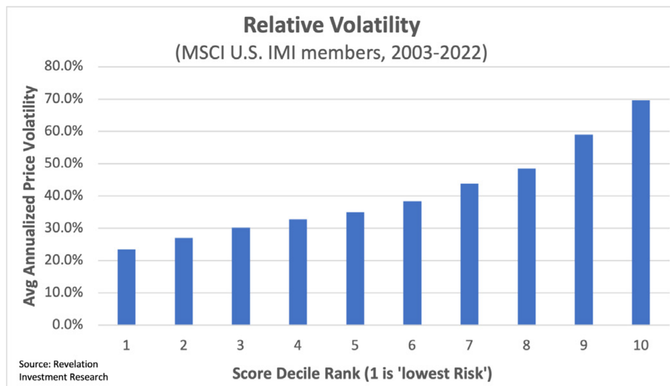
The Bulls of the Dow Strategy was initially adapted from the Dogs of the Dow Theory, popularized in 1991 by Michael B. O'Higgins to build a long-term strategy. In the Dogs of the Dow Theory, a portfolio is built by buying the ten highest dividend-yielding companies of the DJIA. Since the index is built with 30 "blue-chip" stocks, the companies have gone through a de facto screening process and are of seemingly high quality; the high dividend yield signals a company that may have underperformed recently and is poised for improvement. Potential drawbacks of this strategy include a narrow list of parameters and may not factor in other considerations; maybe the stocks are weak for a reason.

The Strategy, Explained

The Bulls of the Dow uses the Dogs of the Dow theory as an inspiration but takes it one step further. Why invest in underperforming companies? Instead of betting they turn it around, why not try to avoid the losers? The Bulls of the Dow crafted a more sophisticated approach of using quantitative scores based on downside risk to determine which stocks to purchase. Revelation Investment Research analyzes stock-specific categories such as valuation, growth, fundamentals, and sentiment and bases its scores on 12 multi-factor research concepts. Companies with the best score have potentially the least downside risk and the worst scores have historically higher risk and tend to underperform over the ensuing 3-24 months. Revelation Investment Research's research has demonstrated success through a wide variety of business conditions and cycles.

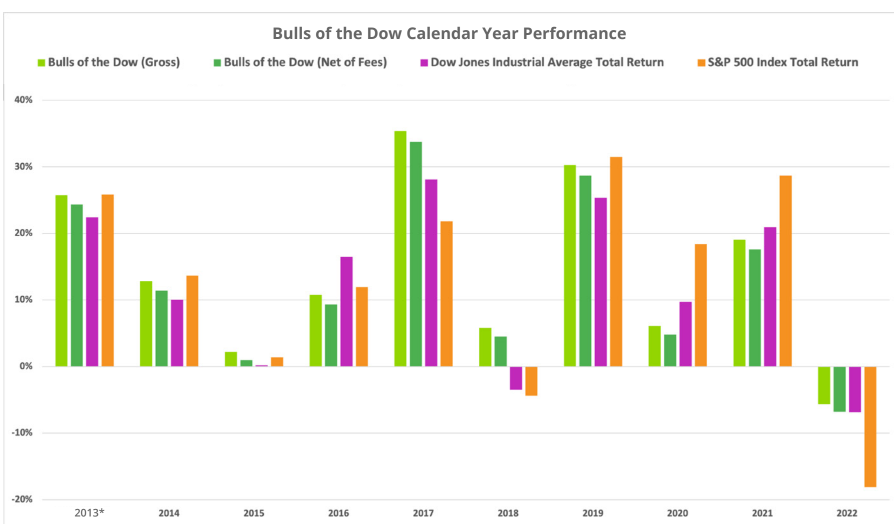
The Bulls of the Dow Strategy applies this methodology to purchase the ten stocks every quarter, and it has shown sustained success over the Portfolio's 10-year history. The approach enables the portfolio to turn over and adapt while also avoiding the human fallacies investors often make. The focus on downside avoidance enabled the Bulls of the Dow Strategy to outperform (gross and net fees) in the two worst years of both the DJIA and S&P 500 this past decade (2018 and 2022). Additionally, 2022 was the only year with negative performance. The portfolio had its greatest under-performance vs. the S&P 500 in 2020 and 2021 due to the irrational exuberance of growth companies after COVID-19. The stimulus and easy money pushed up valuations and disregarded many fundamental aspects of companies.





Performance Over the Past Decade

Despite these bumpier years, the Bulls of the Dow Strategy has demonstrated a quality record over the last 10 years. Its focus on downside risk at the individual security level transfers to better risk characteristics at the portfolio level, too. At ten years, the portfolio has solid alpha returns while experiencing lower beta. The strategy also has a better Sharpe ratio than the DJIA both gross and net of fees basis.



*For the period 2/1/2013–12/31/2013.
Performance data quoted represents past performance; past performance does not guarantee future results.

Another attractive aspect of the portfolio is the relative ease of implementation with ten stocks to rebalance quarterly. This can be done with less starting capital than many strategies, especially those with a materially higher number of holdings. One potential drawback is lower diversification benefits from the idiosyncratic risks which the quantitative downside risk score tries to address. Given the potential for stock turnover, the strategy may work best in retirement accounts where taxes (especially on short-term gains) are not a worry.

Description	Bulls of the Dow Gross	Bulls of the Dow Net of Fees	Dow Jones Industrial Average
Jensen's Alpha	2.73	1.52	---
Beta	0.89	0.89	1.00
Sharpe Ratio	0.83	0.73	0.69
Sortino Ratio	1.54	1.36	1.21
R-Squared	83.50	82.97	100.00
Annualized Standard Deviation	14.57	14.55	14.98

Based on trailing 10 years as of 6/30/2023 as calculated by FactSet

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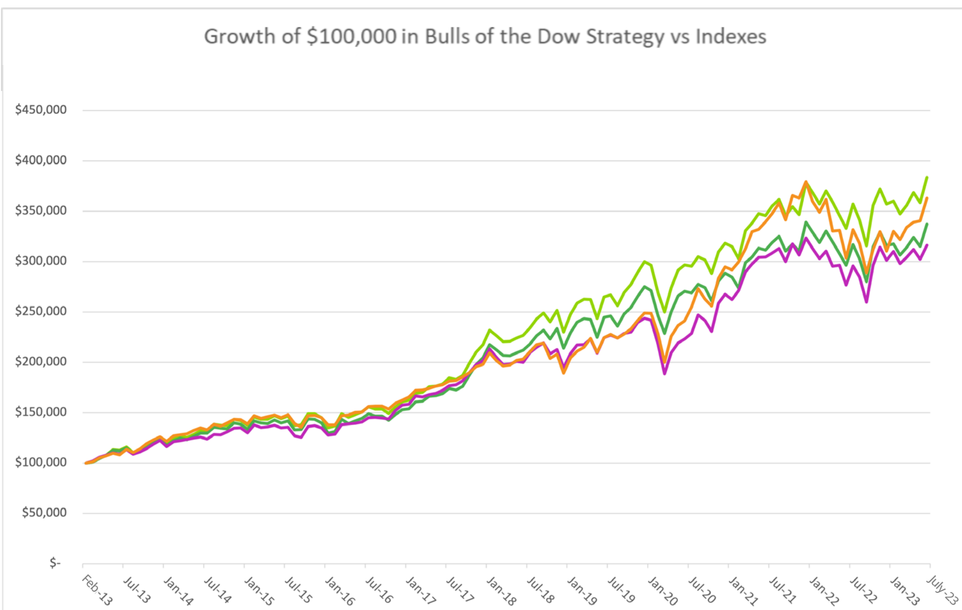
See Definitions below.

Looking Ahead to the Future

Innovative Portfolios is very proud of the Bulls of the Dow Strategy. Quantitative scores built on downside risk have shown success in differing market conditions, especially weak ones, and the strategy has done a great job with its capital appreciation objective. Overall, we believe this portfolio has had a fantastic track record over the last 10 years, and we are very excited for the next decades to come.



Bulls of the Dow (Gross)
Bulls of the Dow (Net of Fees)
Dow Jones Industrial Average Total Return
S&P 500 Index Total Return

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Intended Audience. The presentation to the left reflects hypothetical performance that is intended for all clients or prospective clients at Innovative Portfolios. This performance is to illustrate, visually, the return of the Bulls of the Dow strategy over time. The Bulls of the Dow strategy is presented with the Dow Jones Industrial Average, its benchmark and the S&P 500 Index, as a market indicator. **Criteria Used and Assumptions Made in Calculating Hypothetical Performance.** The criteria and assumptions of the above hypothetical performance are as follows: The firm has begun the hypothetical performance with an initial investment of $100,000 which will be used to employ the Bulls of the Dow strategy. For the presented time periods, the firm has calculated the growth amounts by adding or subtracting the total return (gross and net of management fees) for the same time period. **Risks and Limitations of Using Hypothetical Performance in Making Investment Decisions.** The above performance is hypothetical in nature and does not reflect the performance of a single investor or investors with Innovative Portfolios. There are inherent limitations to hypothetical performance. A limitation of hypothetical performance is that it is prepared with the benefit of hindsight. The hypothetical performance may differ from an actual portfolio in that it does not reflect changes in the investment strategy, contributions or withdrawals, and economic, macroeconomic, political or market activity/events.

Disclosure

Innovative Portfolios, LLC ("IP"), established in 2015, is registered as an investment advisor with the Securities and Exchange Commission. IP is wholly owned by Sheaff Brock Capital Management, LLC ("SBCM").

Bulls of the Dow Composite includes portfolios that invest in our model of ten fundamentally strong stocks in the Dow Jones Industrial Average Index (DJIA). Positions are large capitalization U.S. stocks and portfolios are rebalanced quarterly. The investment objective of the composite is capital appreciation and dividend income. The Bulls of the Dow composite consists of fully discretionary portfolios, including those accounts no longer with the firm. The composite excludes portfolios under $25,000. For comparison purposes the composite is measured against the DJIA. The Composite was created on January 1, 2021 and the inception date is February 1, 2013.

IP acquired the composite through a subadvisor agreement with Sheaff Brock Investment Advisors, LLC (SBIA), wholly owned by SBCM, in December 2020. Performance prior to January 1, 2021 occurred while the investment management team was affiliated with SBIA. The same investment management team has managed the composite since its inception, and the investment process has not changed. Performance prior to January 1, 2021 is linked to performance earned at SBIA.

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. Policies for valuing investments, calculating performance, and preparing GIPS reports are available upon request.

DJIA is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the NASDAQ.
S&P 500 Index is a market value weighted index comprised of 500 of the largest publicly traded U.S. companies.

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.

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. Information is obtained from sources SBIA believes are reliable, however, SBIA does not audit, verify, or guarantee the accuracy or completeness of any material contained herein.

Definitions

Alpha: A measure of performance on a risk-adjusted basis. Alpha takes the volatility (price risk) of a fund and compares its risk-adjusted performance to a benchmark index. The excess return of the fund relative to the return of the benchmark is a fund's alpha.

Beta: Beta measures the sensitivity of an investment to the movement of its benchmark. A beta higher than 1.0 indicates the investment has been more volatile than the benchmark and a beta of less than 1.0 indicates that the investment has been less volatile than the benchmark.

Sharpe Ratio: A measure that uses standard deviation and excess return to determine reward per unit of risk. The greater a fund's Sharpe ratio, the better its risk-adjusted performance has been.

Sortino Ratio: A risk-adjustment metric used to determine the additional return for each unit of downside risk. It takes the portfolio's return and subtracts the risk-free return, and then divides that amount by the standard deviation of negative returns. Ideally, a high Sortino ratio is preferred, as it indicates that an investor will earn a higher return for each unit of downside risk.

R-Squared: A measure that indicates the extent to which fluctuations in portfolio returns are correlated with those of the index.

Standard Deviation: Standard deviation of returns measures the average a return series deviates from its mean. It is often used as a measure of risk. When a fund has a high standard deviation, the predicted range of performance implies greater volatility.