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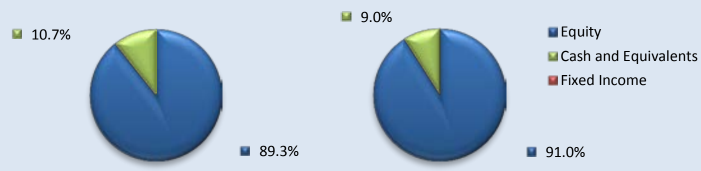
L&S Advisors Tactical Market Update
April 2017

Top Sectors

Tactical Equity Opportunities		Tactical Equity Income	
Information Technology	21.3%	Information Technology	21.8%
Industrials	17.2%	Industrials	15.7%
Health Care	12.1%	Consumer Discretionary	11.9%
Financials	9.8%	Financials	9.7%
Consumer Discretionary	8.1%	Health Care	7.5%

Asset Allocation



Tactical Equity Opportunities **Tactical Equity Income**

Preliminary Performance (net of fees)

	April	YTD	12 Mos	3 Yr*	5 yr*	ITD*	ITD
Tactical Equity Opportunities	-0.89%	3.63%	9.16%	4.55%	4.86%	6.26%	101.06%
Tactical Equity Opp. WRAP **	-1.01%	3.41%	8.47%	4.05%	5.02%	5.28%	80.66%
Tactical Equity Income	0.06%	2.86%	5.33%	4.38%	5.63%	7.40%	127.18%
Tactical Equity Income WRAP **	-0.35%	2.32%	4.37%	3.42%	4.17%	5.58%	86.68%
Dow Jones Industrial Average	*1.34%*	*5.96%*	*17.82%*	*8.09%*	*9.65%*	*6.24%*	*100.58%*
S&P 500 TR	*1.03%*	*7.16%*	*17.92%*	*10.47%*	*13.68%*	*8.37%*	*152.12%*
Barclay's Aggr Bond Index	*0.81%*	*1.68%*	*0.87%*	*2.81%*	*2.40%*	*4.73%*	*70.20%*

** annualized*
*** net of all WRAP fees or 3% annually*

Please note all Top Sectors, Asset Allocation and Performance information is as of April 30, 2017 and subject to change at any time. Annualized and cumulative ITD returns are as of inception on October 31, 2005.

Insights and Actions – "The new, "New Normal""

General Comments

The term "new normal" was coined to reflect the slow growth environment that has been prevalent since the end of the Great Recession. Growth was slow for a myriad of reasons, including and not limited to, the high levels of debt in the system, weak productivity growth, very modest increases in population growth, and the changed spending patterns of a society that has aged dramatically over the past generation.

The election of Mr. Trump seemed to change that. The prospects for the passage of a more pro-growth agenda provided hope that growth would accelerate. Regrettably, the potential for quick legislative relief seems much less likely after recent failures and delays.

Growth in the first calendar quarter was slow yet again showing only a 0.7% improvement. The "new New Normal" is likely to be the same as the old "New Normal." Slow economic growth has not been rectified. Low productivity growth has not been cured, and demographics are still destiny -- we simply do not have the population growth of the post-war baby-boom era.

We have had to adjust our portfolio and sector allocations to reflect more of the same environment that has been prevalent for the past several years.

Data Points and Global Economic Indicators

Weak economic growth was reflected in lower commodity prices and in lower 10-year interest rates. Copper prices are down nearly 10% from February highs. Crude oil prices are down 11%, iron ore is down 28%, lumber, which had held up well until lately, has recently fallen 7%, and nickel prices have fallen 22%. Commodity price weakness was one of the concerns we have commented on over the past several reports.

As economic growth seemed to slow, and as commodity prices reflected that weakness, we saw 10-year interest rates decline from 2.63% in mid-March to 2.39% as of this writing.

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Insights and Actions Cont.

To be fair, there are plenty of economic data points that are reflecting stable, if unspectacular growth. The recent services and non-manufacturing Purchasing Managers indices are some of those indicators, and those recent reports were above expectations, and were also stronger than the previous report. Corporate earnings have been strong, and guidance for the coming quarters remains encouraging. Companies remain optimistic, and executive confidence remains near recent highs.

Asset Allocation

Our targeted cash position for clients in our Tactical Equity Income and Tactical Equity Opportunities strategies is roughly unchanged from last month. Tactical Equity Income is currently holding 15% in cash, and our Tactical Equity Opportunities model is holding 16% in cash. Of course, the actual cash in various client accounts may differ from that number. We have also added a small position in the developed markets. Despite political risks in Europe, it does seem that global growth is starting to accelerate, and that is a good sign.

Sector Allocation

We have continued to reduce our exposure to the cyclical economic sectors, and have increased exposure to those areas that will continue to benefit from modest growth. We have added to our consumer discretionary exposure, and have also added modestly to our industrial exposure. To provide for these purchases, we have reduced our exposure to energy and basic materials stocks. Our largest exposure continues to be in the technology group where we find the potential for above-average growth.

Conclusion

The Trump reflation trade may return to prominence, especially as some of the legislative agenda promised by the new president becomes closer to reality. It is likely that many of these items have been delayed for a few quarters, but the administration will press on. For now, we have adjusted our holdings to reflect the environment we see. The market seems to be taking the mixed economic news in stride, and has been successfully climbing the proverbial wall of worry. Economic data that could be construed as either pernicious or benign seems to be taken as benign, and we share that sentiment. This seems like a good time to pick your spots and stay mostly invested, although we admit to being somewhat cautious regarding the potential for increased political risk and/or unpredictable exogenous events. We do acknowledge that when the facts change again, we will adjust accordingly.

Disclosure

L&S Advisors, Inc. ("L&S") is a privately owned corporation headquartered in Los Angeles, CA. L&S was originally founded in 1979 and dissolved in 1996. The two founders, Sy Lippman and Ralph R. Scott, continued managing portfolios together and reformed the corporation in May 2006. The firm registered as an investment adviser with the U.S. Securities and Exchange Commission in June 2006. L&S performance results prior to the reformation of the firm were achieved by the portfolio managers at a prior entity and have been linked to the performance history of L&S Advisors. The firm is defined as all accounts exclusively managed by L&S from 10/31/2005, as well as accounts managed in conjunction with other, external advisors via the Wells Fargo DMA investment program for the periods 05/02/2014, through the present time.

L&S claims compliance with the Global Investment Performance Standards (GIPS®). L&S has been independently verified by Ashland Partners & Company LLP for the periods October 31, 2005 through December 31, 2015. Upon a request, L&S can provide the L&S Advisors GIPS Annual Disclosure Presentation which provides a GIPS compliant presentation as well as a list of all composite descriptions.

L&S performance shown includes that of the Tactical Equity Opportunities ("TEO") Composite, TEO WRAP Composite, Tactical Equity Income ("TEI") Composite and TEI WRAP Composite which contains fully discretionary accounts per that specific strategy. The TEO and TEO WRAP Strategies seek growth through capital appreciation primarily from the tactical and unconstrained investment in risk-appropriate individual equities. The TEI and TEI WRAP Strategies seek income through yield and capital appreciation primarily from the tactical and unconstrained investment in risk-appropriate equities. WRAP strategies are appropriate only for those clients whose account is on a WRAP platform. Composite performance results have been calculated by using time-weighted returns based on the beginning of period values on an adjusted capital basis. Performance results are total return and include the reinvestment of all income. For the periods prior to March 31, 2011 for TEO WRAP and December 31, 2014 for TEI WRAP, net of fee performance reflects the reduction of the highest WRAP fee charged (3.00% annually) and gross of fee performance has been reduced by transaction costs. For all other periods for TEO WRAP and TEI WRAP, net of fee performance reflects the deduction of actual wrap fees charged and gross of fee performance has not been reduced by transaction costs. Other than brokerage commissions, wrap fees include investment management, portfolio monitoring, consulting services, and in some cases, custodial costs. For TEO and TEI non-wrap strategies, net of fee performance reflects the deduction of actual management fees and transaction costs. For TEO and TEI non-wrap strategies, gross of fee performance has been reduced by transaction costs. Valuations and returns are computed and stated in U.S. dollars. Past performance does not guarantee future results and other calculation methods may produce different results. Results include accounts no longer with the firm. The minimum stated account size for the TEO and TEI non-wrap strategies is $2,000,000; however, actual minimums may vary by client. The minimum account size for the TEO WRAP and TEI WRAP strategies is $75,000; however, actual minimums may vary by platform. Inception performance is as of October 31, 2005.

The Dow Jones Industrial Average (DJIA) is a price-weighted average of 30 significant stocks traded on the New York Stock Exchange and the Nasdaq. The S&P 500 TR Index is a free-float capitalization-weighted index of the prices of 500 large-cap common stocks actively traded in the United States and is calculated on a total return basis with dividends reinvested. The Barclays Capital Aggregate Bond Index is a market capitalization-weighted index, maintained by Barclays Capital; the index is designed to reflect investment grade bonds traded in the United States. Indexes are not available for direct investment.

The beliefs espoused in this update represent the views of L&S Advisors in connection with the TEO, TEO WRAP, TEI and TEI WRAP investment strategies only. L&S Advisors reserves the right to hold differing views from this update in connection with other investment strategies offered. The information contained herein is based on internal research derived from various sources and does not purport to be statements of all material facts relating to the strategies, markets, or issues mentioned. The information contained herein, while not guaranteed as to accuracy or completeness, has been obtained from sources we believe to be reliable. Opinions expressed herein are subject to change without notice.