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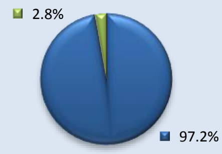
L&S Advisors Tactical Market Update
November 2017

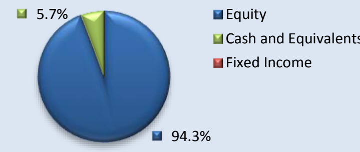
Top Sectors

Tactical Equity Opportunities		Tactical Equity Income	
Information Technology	31.2%	Information Technology	26.2%
Industrials	24.6%	Industrials	23.5%
Financials	12.6%	Financials	12.6%
Health Care	10.0%	Health Care	10.7%
Energy	8.5%	Energy	8.0%

Asset Allocation



Tactical Equity Opportunities



Tactical Equity Income

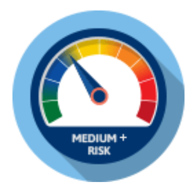
Preliminary Performance

	November	QTD	YTD	12 Mos	3 Yr*	5 yr*	ITD*	ITD
Tactical Equity Opportunities GROSS	2.30%	5.05%	18.53%	18.93%	7.05%	9.92%	8.11%	156.70%
Tactical Equity Opportunities NET	2.30%	4.81%	17.45%	17.84%	6.03%	8.84%	7.05%	127.89%
Tactical Equity Opp. WRAP GROSS	2.29%	5.05%	18.69%	18.97%	7.10%	10.64%	8.49%	167.68%
Tactical Equity Opp. WRAP NET **	2.29%	4.67%	16.91%	17.20%	5.42%	8.83%	6.09%	104.25%
Tactical Equity Income GROSS	1.89%	4.80%	14.81%	15.65%	6.08%	8.81%	8.96%	182..18%
Tactical Equity Income NET	1.89%	4.59%	13.85%	14.69%	5.14%	7.82%	7.93%	151.44%
Tactical Equity Income WRAP GROSS	1.93%	4.91%	14.76%	15.63%	5.95%	8.66%	8.90%	180.29%
Tactical Equity Income WRAP NET **	1.93%	4.51%	12.98%	13.84%	4.27%	6.54%	6.17%	106.13%
Dow Jones Industrial Average	*3.83%*	*8.33%*	*22.82%*	*26.92%*	*10.83%*	*13.26%*	*7.23%*	*132.49%*
S&P 500 TR	*3.07%*	*5.47%*	*20.49%*	*22.87%*	*10.91%*	*15.74%*	*9.01%*	*183.50%*
Barclay's Aggr Bond Index	*-0.14%*	*-0.07%*	*3.23%*	*3.39%*	*2.23%*	*2.09%*	*4.63%*	*72.79%*

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

Please note Top Sectors, Asset Allocation and Performance information is as of November 30, 2017. Annualized and cumulative ITD returns are as of inception on October 31, 2005.

L&S Risk Pulse™ Score



Medium +

Core economic indicators are healthy, but markets indicate potential near-term volatility and/or mild correction. Valuations are trending high.

L&S Risk Pulse™ Insights – "Seasonal Patterns Have Not Worked"

General Comments

There is an old Wall Street adage to "sell in May and go away."

The idea is supported by the fact that the period from May through October tends to have lower returns than the other months of the year. Further, August, September, and October have the lowest monthly returns, with September being the only month that, on average, has been a down month. Some people take this to mean that investors can raise cash on May 1st and reinvest on November 1st, but that is not true. The data suggests that the returns from November through April represent about 65% of the returns for the year while the months from May through October generate the remaining 35% of returns.

Seasonal patterns did not work this year. There was no weakness in August or October. September was not a down month. **In fact, there has been no down month so far in 2017.** Does that make you worry about December? It shouldn't. Since 1950, December has never been a down month, although seasonal patterns have not worked this year…

Data Points and Global Economic Indicators

The fact is that the economic data supports the solid gains in stock prices so far this year. Earnings gains have been solid, and projections are for further growth in earnings as we look ahead to 2018. The potential for a corporate tax cut will increase earnings even more next year.

Consumer confidence remains high, as does small business confidence and CEO confidence.

There are no signs of credit problems anywhere to be seen. We look at credit default swap costs, high yield spreads, loan delinquency rates, lending officer ratings, and bank charge-offs, and there are no signs of impending credit problems.

Purchasing manager reports are strong, and have strengthened in many parts of the world.

Continued on next page…

See important disclosures on next page.

Insights and Actions Cont.

Our two best indicators for the beginning of a recession continue to suggest that the next recession is unlikely to occur in 2018.

Many investors are concerned that this expansion, one of the longest on record, is close to its finale. We must caution that, so far, expansions have never died of old age. They end due to policy errors or by severe external shocks, such as the overnight doubling of oil prices. While an external shock cannot be ruled out, we do not see the Fed or the government as having made a policy mistake that puts this expansion in jeopardy. That may change as the membership of the Federal Reserve Board is undergoing dramatic change, but so far, our expectation from Jerome Powell, the President's appointment to lead the Fed, is a continuation of the current modest pace of interest rate hikes. These actions are supported by a very low rate of inflation, and interest rates that have stayed remarkably low.

The data supports the continuation of the synchronized global growth we have been writing about for several months, and we have no reason to suggest any change is forthcoming. If anything, the economic data has strengthened over the past month.

Do not for a moment think that we see the world through rose colored glasses. That is simply not true. We continue to look for signs of risk, but so far we see very little that gives us cause for concern.

Conclusion

We remain optimistic regarding the prospects for financial markets as long as the music continues to play. We will continue to look for signs that risks are rising, although we recognize that the music is still playing, and will probably do so for some time. Until the data suggests otherwise, we remain fairly fully invested in the sectors that we feel will best participate in the global economic growth currently occurring.

Further, we strive to be selective and focus on sectors and securities that are better poised to take advantage of market conditions as we see them. The music will stop when investors' and money managers' biases change, and that will occur when the underlying fundamentals change or the price action of the market changes.

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 and ACA Performance Services for the periods January 1, 2016 to December 31, 2016. Upon a request to Sy Lippman at slippman@lsadvisors.com, 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.