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Preliminary Performance (net of fees)

	L&S Guardian Equity Strategies						L&S Explorer Equity Strategies					
	Tactical Equity Opportunities		Tactical Equity Income		Tactical Equity ETF		Diversified Equity		Core		Core Select	
	Net	S&P 500TR	Net	S&P 500TR	Net	S&P 500TR	Net	S&P 500TR	Net	S&P 500TR	Net	S&P 500TR
February	-2.70%	-3.69%	-3.50%	-3.69%	-3.30%	-3.69%	-4.16%	-3.69%	-4.00%	-3.69%	-3.17%	-3.69%
QTD	2.76%	1.83%	1.24%	1.83%	1.43%	1.83%	0.65%	1.83%	1.11%	1.83%	2.68%	1.83%
YTD	2.76%	1.83%	1.24%	1.83%	1.43%	1.83%	0.65%	1.83%	1.11%	1.83%	2.68%	1.83%
12 Mos	16.763%	17.10%	13.07%	17.10%	12.53%	17.10%	17.09%	17.10%	N/A	N/A	N/A	N/A
3 year*	7.11%	11.14%	5.34%	11.14%	5.27%	11.14%	N/A	N/A	N/A	N/A	N/A	N/A
5 year*	8.28%	14.73%	7.16%	14.73%	6.93%	14.73%	N/A	N/A	N/A	N/A	N/A	N/A
ITD*	7.29%	9.07%	8.00%	9.07%	6.75%	14.78%	17.39%	19.07%	16.52%	16.96%	18.06%	16.96%
ITD (cum)	138.14%	191.89%	158.48%	191.89%	39.39%	101.51%	30.64%	33.77%	16.52%	16.96%	18.06%	16.96%
Inception	10/31/2005		10/31/2005		1/31/2013		6/30/2016		3/31/2017		3/31/2017	

	L&S Sprinter Equity Strategies				L&S Fixed Income Strategies									
	Income Equity		Equity Growth		Taxable Fixed Income		Tax-Free Fixed Income		Short Duration Investment Grade		High Yield		Short Duration High Yield	
	Net	RUS1000 VALUE	Net	RUS1000 GROWTH	Net	BARC US AGG	Net	BARC MUNI	Net	BARC 1-3 GOV	Net	BARC HYBOND	Net	ML HIGH YIELD
February	-2.13%	-4.78%	-0.89%	-2.62%	-0.52%	-0.95%	-0.28%	-0.46%	-0.20%	-0.09%	-0.37%	-0.85%	-0.18%	-0.36%
QTD	3.16%	-1.09%	9.39%	4.27%	-0.68%	-2.09%	-0.79%	-1.31%	-0.32%	-0.36%	0.61%	-0.25%	0.56%	0.22%
YTD	3.16%	-1.09%	9.39%	4.27%	-0.68%	-2.09%	-0.79%	-1.31%	-0.32%	-0.36%	0.61%	-0.25%	0.56%	0.22%
12 Mos	23.06%	7.75%	27.60%	26.11%	1.32%	0.51%	2.10%	1.32%	0.92%	0.13%	4.12%	4.18%	4.93%	3.81%
3 year*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5 year*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
ITD*	27.61%	12.01%	29.35%	28.99%	2.40%	-1.15%	-0.49%	-0.36%	1.25%	0.44%	5.45%	6.17%	7.24%	5.58%
ITD (cum)	35.63%	15.23%	37.95%	37.46%	3.82%	-1.81%	-0.82%	-0.60%	1.56%	0.55%	6.39%	7.23%	9.13%	7.02%
Inception	11/30/2016		11/30/2016		7/31/2016		6/30/2016		11/30/2016		12/31/2016		11/30/2016	

Please note performance information is as of February 28, 2018.

* annualized

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™ Analysis – “To Inflation and Beyond (with apologies to Buzz Lightyear)”

General Comments

February started with stock markets reeling from concerns over higher labor costs, increasing inflation, and the likely Fed rate hikes that are on the horizon. Markets fell more than 10% at its worst, erasing the gains from January and reminding investors that markets do not go straight up. Corrections are a normal and healthy part of stock market advances. By early March the correction appeared over, and most of the losses were recovered.

Other surprises that took shock the market's confidence were the announcement of tariffs on steel and aluminum and the resulting departure of economic advisor Gary Cohn. In the past we have identified trade wars as one of those external shocks that could alter the course of economic growth. While the president did temporarily exclude Canada and Mexico from the imposition of tariffs, signaling to some that he seeks a middle ground, it is difficult to identify what good may come from these actions. We are not believers that tariffs will be effective, and history is littered with the destitute remains of nations who thought trade wars could easily be won. To be fair, Mr. Trump was clear about his desire to alter trade disparities, and this was just another campaign promise that he is trying to fulfill. The big question is whether the tariffs on steel and aluminum will be the end of such actions, or will other nations impose their own retaliatory tariffs, which will force us to retaliate with additional tariffs and trade restrictions until global economic activity grinds to a halt? So far the retaliation has been contained and exceedingly modest. What is likely is that policy surprises will keep investors on their toes, and will likely be an additional cause of increased volatility.

Volatility, which measures the amplitude of swings in stock prices, is shown in the chart below. It is clear that volatility was very low throughout 2017, but February was a different animal altogether. The most volatile days in 2017 hardly compare to the February data. Volatility returned with vengeance, and we expect volatility to remain at a higher level than we saw last year. In many ways, the current level of volatility is more like long-term averages, and the very low levels of volatility seen last year were the aberration. It will take some time for investors to get more acclimated to greater volatility, and this may be another sign that this expansion is entering a later stage.

The recent market correction started with an employment report, and the most recent employment report gave reason to suggest that those fears may have been overblown. The economy created 313,000 jobs in February, with strength in nearly every sector. Further, that job creation occurred without additional pressures on inflation. Average hourly earnings increased only 0.1% for the month and 2.6% for the year, and that number was below the troublesome number of 2.9% reported previously. We are seeing solid economic growth without inflation, the best of all possible worlds, and the market has responded quite positively as we move into the middle of March.

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See important disclosures on next page.

L&S Risk Pulse™ Analysis Cont.

Data Points and Global Economic Indicators

In the long term, markets reflect corporate earnings. When earnings are rising, stock prices are likely to follow. There are times when valuations contract, and growth in corporate earnings do not lead to strong stock price gains. Expectations continue to suggest that corporate earnings growth will be robust in 2018, and that is one of the best reasons to be encouraged that the market will likely work its way higher as this year progresses.

Interest rates continue to trade in a range that is higher than last fall but not materially higher than the end of January. Any significant increase in rates would be a cause for concern.

Global economic growth remains strong, and troubling signs are few and far between. Volatility has increased, but valuations are more attractive than they were at the start of the year. We are hard-pressed to find economic indicators that suggest risks are rising dramatically.

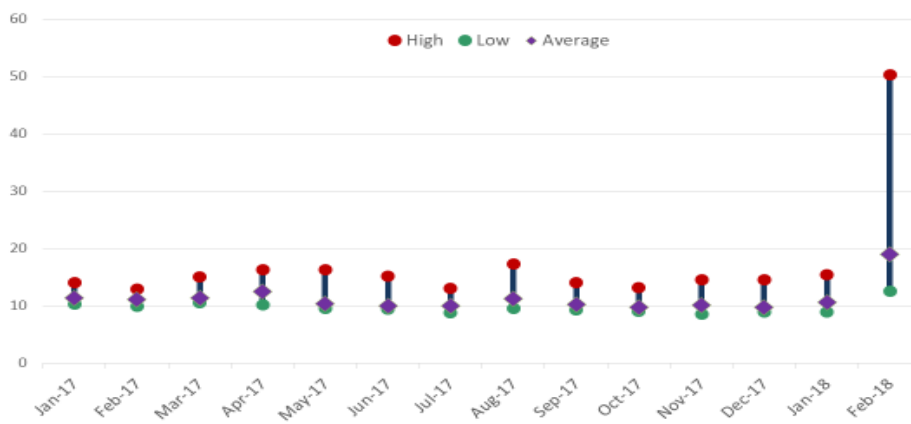
Conclusion

It is important to watch out for increasing risks. The good news is that risk management is part of our culture. We are constantly monitoring economic indicators to see if risks are rising and if investors' positioning should be adjusted. We do expect higher volatility, but we also expect higher corporate earnings. We have not increased our Risk Pulse™ so far, but we remain on alert for data that suggests the status quo has changed. We do not expect a recession over the next few quarters, and we do believe that higher earnings will lead to higher stock prices even if the road to get there is far more volatile than we would like.

S&P 500 Monthly Volatility

2017 to Present

Source: Bloomberg Data Systems



Disclosure

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.

The Tactical Equity Opportunities ("TEO") Strategy Composite seeks growth through capital appreciation primarily from the tactical and unconstrained investment in risk-appropriate individual equities. The Tactical Equity Income ("TEI") Strategy Composites seek income through yield and capital appreciation primarily from the tactical and unconstrained investment in risk-appropriate equities. The Tactical Equity ETF Strategy Composite seeks growth through capital appreciation primarily from the tactical investment in risk-appropriate ETFs. The Diversified Equity Strategy Composite seeks to generate long-term capital appreciation. The L&S Core Portfolio Strategy Composite will invest in Exchange Traded Funds (ETFs) that achieve a global investment presence with an emphasis on the United States. The L&S Core-Select Portfolio Strategy Composite will invest in a combination of Exchange Traded Funds (ETFs) and select individual equities. The Income Equity Strategy Composite seeks to provide income and capital appreciation through the selection of individual equity securities that are expected to consistently raise its dividends by 6% or more annually. The Equity Growth Strategy Composite selects a portfolio of companies that are expected to grow earnings and revenues at a rate faster than the average company. Short-Duration Investment Grade Fixed Income Strategy Composite seeks to generate taxable income, combined with relative portfolio stability for clients with little need or desire for long-term capital appreciation. Taxable Fixed Income Strategy Composite seeks to generate taxable income, combined with relative portfolio stability for clients with little need or desire for long-term capital appreciation. Tax-Free Fixed Income Strategy Composite seeks to generate tax-free income, combined with relative portfolio stability for taxable clients with little need or desire for long-term capital appreciation. High Yield Bonds Strategy Composite seeks to invest in bonds that are rated as below investment grade by the major bond rating agencies (below BBB or Baa). Short-Duration High Yield Bonds Strategy Composite seeks to invest in bonds that are rated as below investment grade by the major bond rating agencies (below BBB or Baa).

Composite performance results have been calculated by using time-weighted returns based on the beginning of period values on an adjusted capital basis. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Performance results are total return and include the reinvestment of all income. 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. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. The U.S. Dollar is the currency used to express performance. Returns are presented gross and net of management fees and include the reinvestment of all income. Non-wrap accounts: Gross-of-fee performance was calculated after the deduction of actual itemized trading expenses. Net-of-fee performance was calculated using actual management fees. Wrap accounts: Gross-of-fee performance was calculated gross of all fees and transaction costs. Net returns are reduced by all fees and transaction costs.

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 Russell 1000 Value Index is a market capitalization weighted index that measures the performance of those Russell 1000 companies with lower price-to-book ratios and lower forecasted growth values. The Russell 1000 Growth Index is a market capitalization weighted index that measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. The Barclays Capital Aggregate Bond Index is a market capitalization weighted index, meaning the securities in the index are weighted according to the market size of each bond type. The Bloomberg Barclays Municipal Bond 7 Year Total Return Index covers the USD-denominated intermediate term tax exempt bond market. The Bloomberg Barclays U.S. Corporate High Yield Bond Index measures the USD-denominated, high yield fixed-rate corporate bond market. Securities are classified as high yield if the middle rating of Moody's Fitch and S&P is Ba1/BB+/BB+ or below. The Bloomberg Barclays 1-3 Year Government/Credit Index is a broad-based benchmark that measures the non-securitized component of the U.S. Aggregate Index.

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.