



L&S Advisors, Inc.
12121 Wilshire Blvd.
Suite 1100
Los Angeles, CA 90025

O 310.893.6060
F 310.893.6070
E info@lsadvisors.com
W lsadvisors.com



Top Sectors

Tactical Equity Opportunities		Tactical Equity Income	
Informational Technology	14.3%	Industrials	13.1%
Industrials	14.0%	Informational Technology	13.1%
Energy	12.8%	Energy	12.7%
Financials	9.7%	Financials	9.7%
Health Care	5.2%	Health Care	6.0%

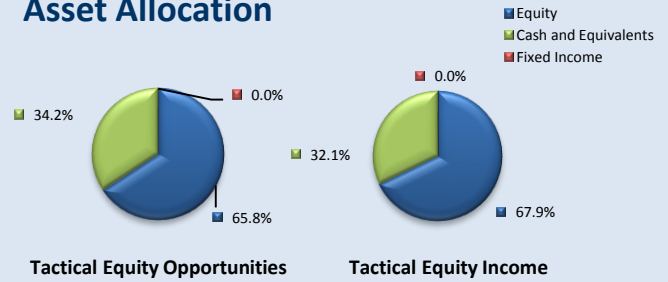
Preliminary Performance

	April	QTD	YTD	12 Mos	3 Yr*	5 yr*	ITD*	ITD
Tactical Equity Opportunities GROSS	-0.58%	-0.58%	-1.05%	14.55%	8.06%	7.84%	7.89%	158.31%
Tactical Equity Opportunities NET	-0.80%	-0.80%	-1.49%	13.53%	7.05%	6.80%	6.83%	128.30%
Tactical Equity Opp. WRAP GROSS	-0.58%	-0.58%	-1.11%	14.57%	7.99%	8.34%	8.25%	169.34%
Tactical Equity Opp. WRAP NET **	-0.95%	-0.95%	-1.82%	12.91%	6.34%	6.60%	5.87%	104.04%
Tactical Equity Income GROSS	-0.31%	-0.31%	-1.94%	10.61%	5.72%	6.10%	8.62%	180.99%
Tactical Equity Income NET	-0.50%	-0.50%	-2.31%	9.75%	4.81%	5.16%	7.59%	149.41%
Tactical Equity Income WRAP GROSS	-0.32%	-0.32%	-1.76%	11.03%	5.65%	6.00%	8.58%	179.68%
Tactical Equity Income WRAP NET **	-0.70%	-0.70%	-2.50%	9.34%	4.00%	4.02%	5.87%	104.13%
<i>Dow Jones Industrial Average</i>	<i>0.25%</i>	<i>0.25%</i>	<i>-2.25%</i>	<i>15.39%</i>	<i>10.64%</i>	<i>10.24%</i>	<i>6.94%</i>	<i>131.45%</i>
<i>S&P 500 TR</i>	<i>0.38%</i>	<i>0.38%</i>	<i>-0.38%</i>	<i>13.27%</i>	<i>10.57%</i>	<i>12.96%</i>	<i>8.76%</i>	<i>185.57%</i>
<i>Barclay's Aggr Bond Index</i>	<i>-0.78%</i>	<i>-0.78%</i>	<i>-2.31%</i>	<i>-0.34%</i>	<i>1.13%</i>	<i>1.55%</i>	<i>4.32%</i>	<i>69.62%</i>

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

Please note Top Sectors, Asset Allocation and Performance information is as of April 30, 2018. Annualized and cumulative ITD returns are as of inception on October 31, 2005.

Asset Allocation



L&S Risk Pulse™ Score

Caution

Long-term macroeconomic conditions are strong, but at least several core economic indicators show weakness with noteworthy but outlying risk that requires monitoring. Valuations are approaching high for a majority of stocks.

L&S Risk Pulse™ Insights – “I Don’t Think We’re In Kansas Anymore, Toto”

General Comments

Like the political environment, stocks seem to be lacking leadership. The semiconductor and jumbo-cap technology stocks that led the market throughout last year have stumbled. Interest rates have moved modestly higher, yet the banks and financial services stocks, companies that would be prime beneficiaries of higher interest rates, have lost their way. Industrial stocks that typically do well later in the economic cycle have also struggled. The high-flying defense stocks are under fire. Materials stocks that would benefit from higher inflation and rising commodity prices also seem to have lead shoes. Where is the leadership?

The lack of leadership is a significant concern for us as the market seems directionless. The good news is that markets have not made lower lows after the early February swoon. The bad news is that without direction or leadership it is difficult to expect markets to return to the old highs. Perhaps, even more disconcerting, is the fact that those groups that we would expect to perform under certain circumstances are not behaving as expected. In fact, companies that reported excellent results are not being rewarded by the market.

There are other concerns as well. The Purchasing Managers surveys have weakened. From global synchronized growth, we are looking at a global synchronized slowdown. Admittedly, the slowdown is not yet severe, and indicator levels still reflect reasonable growth ahead. The direction of the indicators is the problem. The USA, China, Germany, Spain, Italy, France, the Eurozone, Emerging Markets, and Global indicators all have slowed over the past several months. We wish we knew the answer to whether the slowdown is over or whether it has really just begun.

Concerns over slower growth were exacerbated when Caterpillar suggested that “the first quarter adjusted profit per share will be the high watermark for the year.” Cat usually shows the highest profit during the second calendar quarter, so why were they suggesting that the peak has passed? Certainly Cat will be hurt by higher steel tariffs which raises the price of materials needed to manufacture their products. Even with announced product price increases, Cat is worried that they will be unable to recover all of the cost increases they face for the remainder of the year. If slower growth leads to peaking profits and potentially declining profit margins, how much higher can the market go?

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Insights and Actions Cont.

We have seen a massive change in investor psychology and orientation. Elation over tax cuts has turned to concern over deficits. Global synchronized growth has morphed into a global synchronized slowdown. A victorious Trump has quickly become a worry over mid-term election losses. Deregulation has faded to concerns that giant technology stocks with access to immense personal data will need to be regulated. Complacency is over, and investors will need to work much harder to earn meaningful returns. I don't think we're in Kansas anymore, Toto.

Conclusion

This has been one of the longest economic cycles in U.S. history, and we do not see an end just yet. Still, we recognize that we are closer to the end of the expansion than we were a year ago. Concerns over slower growth, weaker margins, political risks, and the lateness of the cycle will all work to lower potential market multiples. It will be a much more difficult environment for investors.

It is, however, a market that will reward the efforts necessary to find good ideas and good industries and sectors. Active managers can add tremendous value in this market. The ability to raise cash for our most conservative and tactical clients should also add value. We remain concerned over the lack of leadership, but we are encouraged that active and tactical managers can add value in different ways.

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.