



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



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
November	1.09%	2.04%	1.97%	2.04%	1.07%	2.04%	0.29%	2.04%	1.68%	2.04%	2.47%	2.04%
QTD	-5.05%	-4.94%	-3.02%	-4.94%	-5.92%	-4.94%	-8.43%	-4.94%	-6.16%	-4.94%	-3.18%	-4.94%
YTD	-1.90%	5.11%	-1.36%	5.11%	0.51%	5.11%	-5.44%	5.11%	-1.01%	5.11%	2.27%	5.11%
12 Mos	-0.24%	6.27%	0.14%	6.27%	2.45%	6.27%	-4.70%	6.27%	0.16%	6.27%	3.44%	6.27%
3 year*	6.19%	12.16%	4.91%	12.16%	6.32%	12.16%	N/A	N/A	N/A	N/A	N/A	N/A
5 year*	4.56%	11.12%	5.21%	11.12%	4.38%	11.12%	N/A	N/A	N/A	N/A	N/A	N/A
ITD*	6.48%	8.80%	7.31%	8.80%	5.69%	13.38%	8.84%	14.28%	8.23%	11.97%	10.21%	11.97%
ITD (cum)	127.34%	201.29%	151.85%	201.29%	38.12%	107.99%	22.72%	38.07%	14.08%	20.73%	17.59%	20.73%
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
November	0.90%	2.99%	-1.95%	1.06%	0.12%	0.60%	0.64%	1.10%	0.17%	0.29%	-0.12%	-0.86%	-0.33%	-0.22%
QTD	-7.85%	-2.35%	-15.45%	-7.98%	-0.77%	-0.20%	-0.17%	0.80%	0.16%	0.40%	-1.71%	-2.44%	-1.45%	-1.04%
YTD	0.07%	1.48%	5.01%	7.75%	-1.18%	-1.79%	-0.46%	0.44%	0.96%	0.82%	2.39%	0.06%	2.07%	2.30%
12 Mos	1.94%	2.96%	5.12%	8.59%	-0.84%	-1.34%	0.14%	1.27%	1.12%	0.85%	2.93%	0.36%	2.75%	2.51%
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*	14.70%	8.73%	15.08%	19.18%	1.40%	-0.65%	-0.20%	0.48%	1.42%	0.86%	4.23%	3.88%	5.24%	4.52%
ITD (cum)	31.56%	18.23%	32.43%	42.04%	3.30%	-1.51%	-0.49%	1.17%	2.86%	1.73%	8.27%	7.57%	10.76%	9.24%
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 November 30, 2018. * annualized

L&S Risk Pulse™ Score

Caution+ (Increased) 6 out of 10

The composite economic picture is mixed or unclear, indicating confusion in global markets. Valuations are questionable, and volatility must be monitored



L&S Risk Pulse™ Analysis – “Tariff-Man To The Rescue”

General Comments

Markets have struggled with several problems this year, including the potential for slower growth where more and more evidence suggests that slower growth is in fact happening. This is not just a meme of fearful portfolio managers. More and more countries are showing troubling signs with Canada, Germany, Italy, Japan, and Saudi Arabia all reporting negative quarterly GDP growth in the most recent data releases.

Markets have also been spooked by actions of the Federal Reserve. Promises to continue to raise interest rates in October were likely one of the reasons why markets struggled over the past several weeks. Why, investors pondered, if growth was slowing was the Fed hellbent on raising interest rates? Do they not see what is happening around the globe? In addition to raising interest rates, the Fed continues to let their vast holding of bonds slowly decline as existing bonds mature. The Fed had been replacing those bonds with new purchases, but now they are letting their balance sheet shrink. This is yet another way the Fed is tightening policy at a time when many investors see those actions as increasing the odds that the Fed is making a policy mistake.

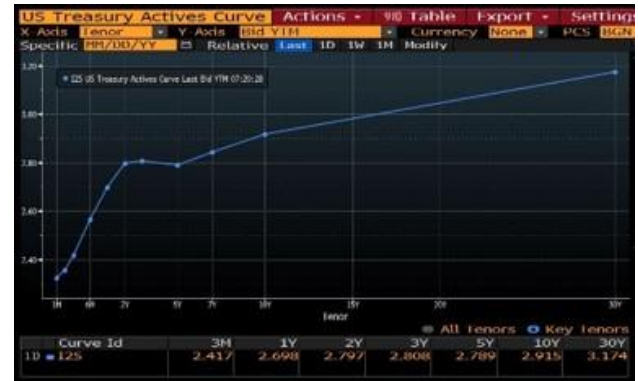
Investors have been worried about an inverted yield curve, a situation where short-term interest rates are higher than longer-term rates. This is a clear indicator of a policy mistake and has historically been a good tool to forecast a recession on the horizon. In early December, the yield on the 5-year Treasury bond dipped below the yield on the 3-year bond. “The yield curve is inverting – the sky is falling” claimed many screaming heads on television. The attached picture of the U.S. Treasury interest rate curve hardly shows a pattern of short-term rates above long-term rates, yet that did not stop prognosticators from creating fear and causing additional selling pressure.

Continued on next page...

L&S Risk Pulse™ Analysis Cont.

We are watching interest rates very carefully, and we are nervous as the curve has flattened, something that must happen before it can invert. Still, it is important to remember two facts: First, 5 year rates below 3 year rates is not what is meant by an inverted yield curve; and second, the day to sell stocks is not the day the curve inverts but is potentially many months later. Stock markets typically run for several months or quarters before a recession becomes more likely, and stock prices begin to struggle.

The last big worry for the market has been the tariffs and a potential trade war with our global trade partners. This is where Tariff-Man came to the rescue. In a most predictable way, the President indicated that he had a very good meeting with Chinese Premier Xi, and the two nations were calling a truce for 90 days to provide an opportunity to negotiate an end to the current trade disputes. We felt that the probability of some kind of positive announcement was likely, although cynicism suggested that good news would not be long lived.



Source: Bloomberg

Sure enough, the President did not disappoint. He dubbed himself "Tariff-Man," and suggested the United States was getting rich collecting tariffs on Chinese and other imported goods. Despite his protestations, budget deficits are near record levels, even as the economy has been cruising along at one of the best rates of growth since the end of the Great Recession. Further, the people who are paying higher prices are American citizens, those same individuals who elected Mr. Trump to the highest office in the land. According to the Omaha World-Herald, Trump's trade policy is putting a heavy burden on farmers in Nebraska. That newspaper's estimate for the per capita cost of retaliatory tariffs for every Nebraskan is running at \$632 in 2018. Thank you, Tariff-Man. Later in the first week of December, the U.S. asked the Canadians to arrest the CFO of a leading Chinese mobile phone company. It is not very politically savvy to arrest a Chinese executive when you have agreed to a cease fire.

Could it be that the market that was so enamored with Trump for the first two years of his incumbency has finally tired of his antics? There are reports that the Mueller investigation is winding down and that potentially means more indictments are on the horizon. There is a lawsuit progressing in Maryland arguing that the President has violated the emoluments clause of the Constitution (a clause that prohibits a president from profiting from his position). Has confidence in Mr. Trump finally started to crumble? It is entirely possible that the uncertainty created by unsound policies is finally having a negative impact on the stock market.

Conclusion

November was another difficult month, and the prospects for a Christmas rally seem to be fading as the belligerence of Tariff-Man is unsettling the market. Growth is clearly slowing, particularly overseas, and U.S. growth estimates are also coming down. We do not see the U.S. falling into a recession any time soon, and we do not see systemic credit problems that caused enormous pain in 2008.

Any decrease in trade tensions and political risks would be welcome to a market where prices have fallen, while earnings estimates have not declined materially. So far, that has not happened, but there is always tomorrow.

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, 2017. 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 net of management fees and include the reinvestment of all income. Non-wrap accounts: Net-of-fee performance was calculated using actual management fees. Wrap accounts: 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 Bank of America/Merrill Lynch 1-5 Year Cash Pay High Yield Index measures the USD denominated, high yield, fixed rate corporate bond market with maturities less than 5 years. 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-secured 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.