

SMA High Yield Short Duration Strategy

Q4 2018



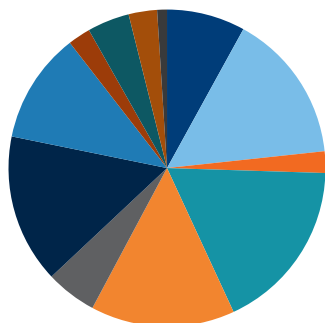
Strategy Objectives

Seeks to generate high levels of taxable income and modest capital appreciation by investing in short-term bonds that are rated as non-investment grade (below BBB or Baa) by the major bond rating agencies.

Strategy Highlights

- Targeting bonds with shorter maturities provides outperformance in a rising interest rate environment. No bonds held with stated maturity beyond 5 years.
- Produces higher return with less interest rate risk.
- Primary focus on safety of principal and issuer's ability to meet all obligations across varying market conditions.
- Analysis of balance sheet and cash flow uncovers undervalued securities in a replicable manner.
- Boutique size enables our ability to purchase smaller issues unavailable to larger firms.

Sector Allocation



- Communication Services, 8%
- Consumer Discretionary, 15.3%
- Consumer Staples, 2.2%
- Energy, 17.6%
- Financials, 14.7%
- Health Care, 5.2%
- Industrials, 15.2%
- Information Technology, 11.3%
- Materials, 2.3%
- Real Estate, 4.3%
- Utilities, 2.9%
- Other, 1%
- Cash & Equivalents, 0%

Top Ten Bond Holdings**

- OPPENHEIMER HOLDINGS
- DONNELLEY RR & SONS
- ALLEGHENY TECH
- ENVIVA PARTNERS LP
- CONNS INC
- LEXMARK INTL
- MALLINCKRODT
- ISTAR FINANCIAL INC
- SPRINT COMMUNICATIONS
- INGLES MARKETS

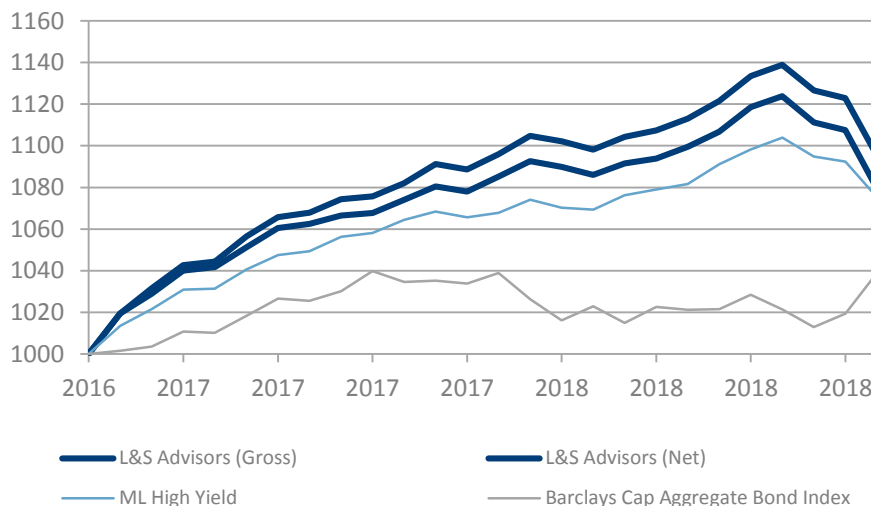
** Non-individual bond holdings held in some accounts of the composite have been excluded.

Characteristics***

| | L&S Advisors | ML High Yield |
|------------------------|--------------|---------------|
| Number of Holdings | 69 | 662 |
| Yield to Maturity | 8.73% | 7.08% |
| Yield to Worst | 8.71% | 6.99% |
| Convexity to Maturity | 0.11 | 0.11 |
| Modified Duration | 2.55 | 2.91 |
| Current Yield | 6.57% | 6.92% |
| Average Credit Quality | B+ | B+ |

*** Characteristics exclude non-fixed income and non-individual securities held in some accounts of composite.

Growth of a \$1,000 Investment



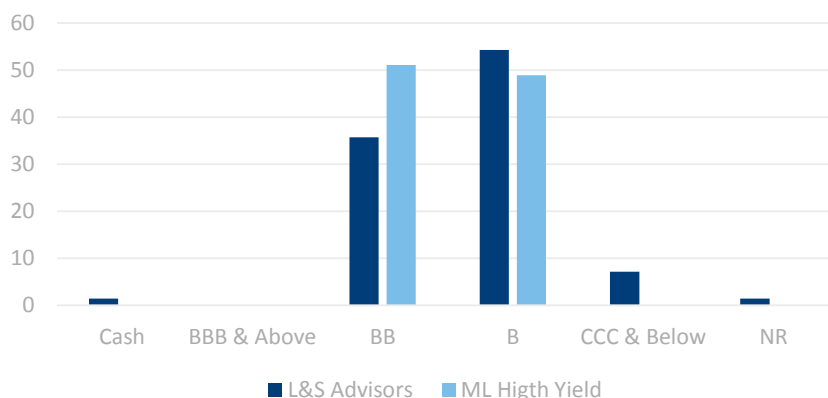
Performance

| | L&S Advisors | | ML High Yield | Barclays Agg. Bond |
|---------|--------------|--------|---------------|--------------------|
| | Gross | Net | | |
| Q4 | -3.84% | -3.95% | -2.60% | 1.64% |
| YTD | -0.07% | -0.53% | 0.69% | 0.01% |
| 12 Mos. | -0.07% | -0.53% | 0.69% | 0.01% |
| 3 yr.* | N/A | N/A | N/A | N/A |
| ITD * | 4.46% | 3.74% | 3.54% | 0.12% |
| ITD | 9.52% | 7.94% | 7.52% | 0.30% |

* annualized

Please note all information is as of December 31, 2018.

Quality Allocation (%)



Investing with L&S Advisors

When you partner with L&S Advisors, you get innovative strategies and highly-responsive personal service. Our portfolio managers are easily accessible, always ready to answer questions and provide insights. We focus on managing the risk of our investors so they are free to focus elsewhere.

Under the leadership of Chief Investment Officer Rick Scott and Chief Executive Officer Sy Lippman, the L&S Advisors team works to apply its independence, experience, expertise, and discipline to provide investors with a different kind of client experience.

We believe the strength of our investment experience and our quantitative and fundamental approach have allowed L&S to seek long-term relative performance for our investors. The interests of our principals and employees are strongly aligned with those of our clients.

With decades of experience, you can trust L&S Advisors to be there for you—whatever your needs and whatever the future brings. We invite you to learn more about how we believe our strategies can better serve you.

Monthly Returns (net of fees)

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | YTD | ML High Yield |
|------|------|-------|-------|------|------|------|------|------|------|-------|-------|-------|-------|---------------|
| 2016 | | | | | | | | | | | | 1.95 | 1.95 | 1.35 |
| 2017 | 0.93 | 1.07 | 0.17 | 0.91 | 0.88 | 0.19 | 0.36 | 0.13 | 0.59 | 0.59 | -0.23 | 0.67 | 6.44 | 5.36 |
| 2018 | 0.69 | -0.25 | -0.35 | 0.52 | 0.21 | 0.52 | 0.65 | 1.07 | 0.47 | -1.08 | -0.33 | -2.47 | -0.07 | 0.69 |

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.

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). High yield bonds are typically issued by companies with above average debt levels on their balance sheet. High yield bonds may also include bonds of companies that have been downgraded by rating agencies. High yield bonds are rarely issued with maturities longer than 10 years, but this strategy limits purchases to those securities with a final maturity no longer than five years from the date of purchase. These high yield portfolios are likely to have an average maturity of short-to-intermediate duration. High yield bonds provide significantly higher income for investors than do government bonds or investment grade corporate bonds. This high level of income, combined with the shorter average maturities, tends to help these bonds perform well in rising interest rate environments. Individual high yield issues will be selected by a thorough analysis of a company's ability to meet its obligations. In general, high yield portfolios will attempt to be well-diversified to reduce the risk of any singular credit event. This strategy is particularly attractive for investors seeking a higher level of income than that available in most other assets. Portfolios of high yielding bonds carry a higher credit risk than do investment-grade bond portfolios, but this higher risk tends to be compensated for with a significantly higher level of income. 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 Short-Duration High Yield Bonds Strategy Composite was created on February 15, 2017. L&S Advisors, Inc. ("LSA") claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. LSA has been independently verified for the periods November 1, 2005 through December 31, 2016. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. Results are based on fully discretionary accounts under management, including those accounts no longer with the firm. Composite performance is presented gross of foreign withholding taxes on dividends, interest income, and capital gains. Past performance is not indicative of future results. 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. Net-of-fee performance was calculated using actual management fees. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. The investment management fee schedule for the composite is 1.50% on the first \$3 million, 1.25% on \$2 million to \$5.9 million, and 0.75% on \$6 million plus. Actual investment advisory fees incurred by clients may vary.

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 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. All characteristics and quality allocation data provided by Bloomberg.

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