SMA

High Yield Bonds Strategy

Q3 2026

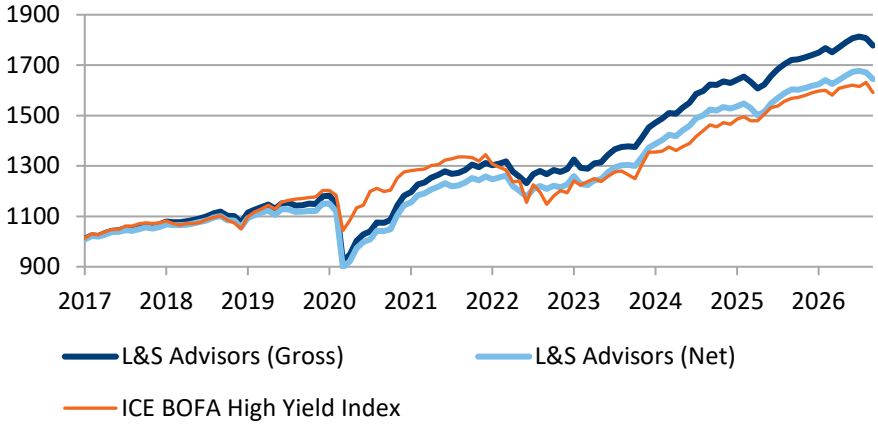
Strategy Objective

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

Strategy Highlights

- Ability to produce 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, with consideration of industry competitive dynamics, uncovers undervalued securities in a replicable manner.
- Boutique size enables the purchase of smaller issues unavailable to larger firms.

Growth of a $1,000 Investment



Performance

Please note all Characteristics, Performance, Allocation and Holding information as September 30, 2026

Annualized Returns

	Q3	YTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	ITD
L&S Advisors (Gross)	-1.58%	2.20%	3.32%	8.86%	6.73%	6.50%	6.08%
L&S Advisors (Net)	-1.76%	1.63%	2.52%	8.02%	5.91%	5.66%	5.23%
ICE BOFA High Yield Index	-1.81%	0.04%	1.39%	7.94%	3.56%	4.47%	4.88%

Calendar Year Returns

	2026	2025	2024	2023	2022	2021	2020	2019
L&S Advisors (Gross)	2.20%	6.76%	12.15%	12.80%	-1.80%	10.92%	0.30%	9.69%
L&S Advisors (Net)	1.63%	5.92%	11.29%	11.94%	-2.55%	10.04%	-0.54%	8.81%
ICE BOFA High Yield Index	0.04%	8.50%	8.20%	13.46%	-11.22%	5.36%	6.17%	14.41%

Characteristics*

	L&S Advisors	ICE BOFA High Yield
Number of Holdings	48	1899
Yield to Maturity	8.43%	6.78%
Yield to Worst	8.28%	8.30%
Convexity to Maturity	0.08	-0.06
Modified Duration	1.90	3.46
Current Yield	6.93%	8.16%
Average Credit Quality	BB-/B+	B1
Alpha **	0.85	--
Beta **	0.92	1
Sharpe Ratio **	0.67	0.70
Std. Deviation **	8.17	7.25

** Characteristics exclude non-fixed income and non-individual securities held in some accounts of composite. ** Characteristics are based on net-of-fee returns from inception to date.*

Top Allocations

Allocation	%
High Yield Fund	37.90%
Financials	12.80%
Industrials	11.60%
Energy	10.00%
Information Technology	10.00%
Consumer Discretionary	5.80%
Materials	4.20%
Communication Services	3.40%
Health Care	2.10%
Cash & Equivalents	1.90%
	100%

Top Bond Holdings***

Holding	%
FALLEN ANGEL H YIELD	35.84%
ICAHN ENT/FIN	5.79%
CDK GLOBAL INC	4.41%
TRANSOCEAN INC	3.56%
CITRIX SYSTEMS INC	3.45%
ICAHN ENTERPRISES	3.38%
NEWELL BRANDS INC	3.13%
CRESCENT ENR FIN	2.86%
PETROLEOS MEXI	2.58%
FS KKR CAPITAL CORP	2.47%
	67.48%

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

See important disclosures on next page.

High Yield Bonds

Q3 2026

Investment Team

Rick Scott
Portfolio Manager & CIO
45 years experience

Heather Liu
Sr. Analyst
19 years experience

Edlyn Ruiz
Sr. Analyst
10 years experience

Strategy Philosophy

Most investors like to think about the traditional style box when it comes to investing. For fixed income investors, this means analyzing interest-rate sensitivity (duration) on one axis and credit quality on the other. We believe that through rigorous, bottom-up research, we can expand our opportunity set beyond our benchmark which in turn enhances our ability to exploit market inefficiencies. These core investment principles have been the focus of the strategy since inception. We believe by pursuing companies who are improving their balance sheet, we can seek to provide significant alpha while limiting risk over a full market cycle (5 years).

Net Monthly Performance (Net)

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	YTD	*ICE HY*
2017	0.87	1.29	-0.19	0.79	0.90	0.23	0.56	-0.29	0.69	0.64	-0.39	0.52	5.74	*7.50*
2018	0.99	-0.26	-0.03	0.18	0.48	0.55	0.68	1.05	0.46	-1.59	-0.12	-2.39	-0.06	*-2.08*
2019	3.50	1.03	0.90	0.72	-1.49	1.99	-0.07	-0.93	0.13	0.219	-0.06	2.58	8.81	*14.32*
2020	0.07	-2.66	-19.86	2.64	5.67	2.57	0.95	3.42	-0.15	0.80	5.33	3.46	-0.54	*7.11*
2021	1.00	2.46	0.67	1.29	0.93	1.15	-1.08	0.38	0.87	1.46	-0.71	1.24	10.04	*5.28*
2022	-0.87	0.53	0.65	-3.30	-1.56	-2.07	2.78	0.94	-0.93	1.04	-0.57	0.93	-2.55	*-11.19*
2023	2.74	-2.54	-0.31	1.60	0.24	2.23	1.51	0.66	0.19	-0.38	2.74	2.79	11.94	*13.44*
2024	1.09	1.11	1.49	-0.36	1.54	1.26	2.11	0.75	1.56	-0.25	0.86	-0.38	11.29	*8.20*
2025	0.55	0.76	-1.16	-1.89	0.96	2.11	1.46	1.22	0.95	-0.09	0.43	0.54	5.92	*8.50*
2026	0.41	0.97	-0.94	0.94	1.13	0.91	0.20	-0.38	-1.58				1.63	*0.04*

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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, 2025. Upon a request to L&S at info@lsadvisors.com, L&S can provide the L&S Advisors GIPS Report which provides a GIPS complaint presentation as well as a list of all composite descriptions. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

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, so a high yield portfolio is likely to have an average maturity of 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. 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.. Inception performance is as of December 31, 2016.

For comparison purposes the High Yield Composite is measured against the ICE BOFA High Yield Index. The ICE BOFA High Yield Index measures the performance of US dollar denominated below investment grade rated corporate debt publicly issued in the US domestic market. To qualify for inclusion in the index, securities must have a below investment grade rating (based on an average of Moody's, S&P, and Fitch) and an investment grade rated country of risk (based on an average of Moody's, S&P, and Fitch foreign currency long term sovereign debt ratings). Prior to 1/1/2024, the strategy was benchmarked to a different index. Indexes are not available for direct investment.