

Risk management transcends everything

INVESTMENT PHILOSOPHY

The primary objective of L&S Advisors is to achieve superior investment returns for our clients.

Our philosophy is that attractive returns can be achieved by structuring portfolios that are distinct from the market indices. We believe that when active management strategies are too constrained by benchmarks they will not produce significant alpha or satisfactory risk-adjusted returns over the long-term.

We recognize the importance of diversification but do not stay diversified across all asset classes at all times. Our portfolios have no constraints with regard to capitalization, foreign/domestic designation, or growth/value label beyond those specifically requested by individual clients. If economic conditions suggest to us a move to all cash, we have no systemic limitations preventing us from doing so. If we believe we need to remove a sector completely from your portfolio, we immediately act on that decision. If economic conditions suggest to us that the market will trade sideways, we may write covered calls to seek additional income where appropriate for approved clients. Further, we have the ability to act quickly, because our investment process does not rely on large bureaucratic committees. We believe actively managed portfolios can quickly take advantage of current investment opportunities.

We believe that some money managers who fail to beat the performance of the S&P 500 do so because they emphasize diversification in the interest of minimizing risk. As a result, investors could end up with an over-diversified portfolio, possibly resulting in mediocre performance because the profitable companies could make up too small a portion of the portfolio to have a significant impact. We actively manage our portfolio exposure to pursue the best ideas and research. We assemble concentrated portfolios, as our top ten holdings typically represent 30% - 40% of a portfolio.

Seth Glickenhau, founder of Glickenhau & Co., one of the country's oldest and most respected investment firms, was quoted in the September 11, 2006 Barron's as saying *"Overall, though, you have to be extremely selective and concentrated. The greatest error made on Wall Street is diversification. Diversification inevitably leads to mediocrity and average performance."*

We take responsibility for all investment decisions on a fully discretionary basis. We do what is in the best interest of our clients to maximize capital appreciation and minimize risk.



L&S Advisors, Inc.

Investment Counsel

ABOUT US

L&S Advisors, Inc. (“L&S”) is a Registered Investment Advisor (RIA) headquartered in Los Angeles. L&S specializes in investment advisory services for high net worth individuals and families, and their surrounding business interests. We are an independent firm dedicated exclusively on managing assets, and focused on absolute return through tactical diversification and risk management.

L&S Advisors is regulated by the SEC, but is not a division of a financial conglomerate, nor are we affiliated with any other financial industry entity. As an independent, fee-only RIA, L&S provides objective and unbiased advice. We are defined by our core values and our complete commitment to objectivity, independence, and transparency in all areas of our investment advice. Your assets will be custodied at the independent brokerage firm of your choice. As such, the custody of your assets is secure. We do not receive any commissions or fees from third parties, nor do we sell any proprietary investment products. This lack of conflict of interest in the investments we recommend allows us to make all of our investment decisions based strictly on their merits.

L&S Advisors, Inc. is a SEC registered investment advisor. A copy of L&S Advisors' current written disclosure statement discussing advisory services and fee is available for review upon request. Different types of investments involve varying degrees of risk, and there can be no assurance that the future performance of any specific investment or investment strategy will be profitable.

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