JAMES ALPHA ADVISORS INVESTMENT OUTLOOK

Market Commentary Newsletter
January 2016

Strategic Asset Allocation — James Alpha Advisors

Nowhere to hide. The new year got off to a vicious start and, outside of treasuries and cash, there was virtually nowhere to hide during the month of January. The global sell-off was kicked off by market action in China in the early hours of the very first trading day of the year. January 4th saw China's major stock exchanges plunge following the release of weak economic data, dropping 7.0%, and triggering a circuit breaker that resulted in the halt of trading on Chinese exchanges. Just three days later, another steep drop in Chinese equities pummeled global markets yet again. The second sell-off came as the People's Bank of China (PBoC) made its largest downward adjustment to the Yuan since August, igniting concerns of a flight of capital. The move resulted in another drop in equities of 7.0%, halting trading yet again, just 30 minutes after the open, resulting in the shortest trading day in China's history. Chinese equities continued to trade lower throughout the remainder of the month, ending down 22.6%.

The weak economic data and downside pressure in China sent shockwaves through the rest of the world, pressuring everything from emerging markets and commodity prices, to U.S. equities and global real estate. As one would expect, commodities suffered the biggest pullback, with crude losing 9.23% in January. This marked the third consecutive negative month for crude, leaving crude prices down almost 30% since the end of October. This continues to put pressure on MLPs, which saw the Alerian Index drop by 12.0%. The sell-off pushed MLP yields close to 10% during the month and, with the risk-off trade and strong rally in treasuries, we saw the yield spread between MLPs and treasuries widen to an eye popping 8%. As we have highlighted in the past, historically, when this spread has exceeded the 5% threshold, the following 12 months have seen MLPs post positive returns 100% of the time. In light of some of the weak economic data in China, and the potential ramifications for emerging markets, we made a small rotation out of our emerging market exposure in the portfolio and opportunistically added to our investment in MLPs.

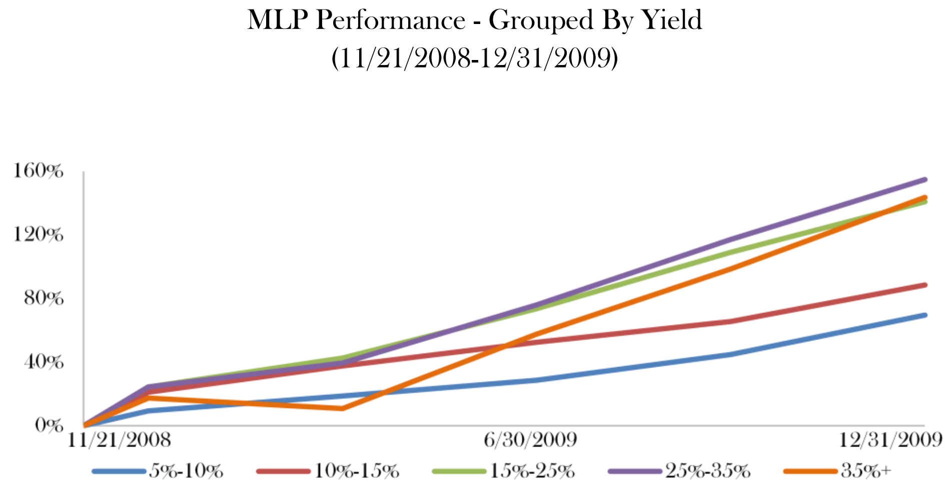
The other areas of the portfolio also experienced selling pressure roughly in line with global markets. Small cap equities, in particular, saw under considerable selling pressure, leaving small cap growth stocks down 11% in January, now down 22% from their June 23, 2015 peak. The S&P 500 was down 5.0%, the NASDAQ lost 7.9%, European equities were down 6.4% and emerging markets were also down 6.5%. Unless you were out of the markets, there was virtually nowhere to hide. We view the recent sell-off, while particularly painful, as a healthy correction, moving equity prices closer to in line with their historical averages. While we expect near term volatility to persist, these market environments often present unique investment opportunities that we will look to prudently take advantage of.

MLPs — Yorkville Capital Management

The first month of 2016 felt more like a continuation of 2015 rather than a fresh start to a new year. MLPs were down 26.7% at the trough (1/20/16), pushing yields on Infrastructure MLPs to 12%. This is near the all-time highs of 14% reached in 2008. This current pullback, dating back to August 2014, looks eerily similar to the pullback we experienced in 2008-2009, which ultimately ended when MLP yields were driven to historic highs. As MLPs' yields once again approach historic highs, we looked back to 2009 to develop a blueprint for how to invest in an MLP recovery.

In this month's commentary, we analyze the rebound MLPs experienced in 2009 coming off historical low valuations. Specifically, we identified which MLPs, based on yields and sectors, bounced first and which MLPs outperformed throughout 2009.

MLPs with higher yields were the first to recover following the downturn and outperformed other MLPs through 2009, as the graph shows. MLPs that yielded greater than 15% all rose more than 120%, almost doubling the returns of partnerships that yielded less than 15%. Cheap valuations were drivers of outperformance during the early stages of the 2009 recovery.



Source: Yorkville Capital Management.

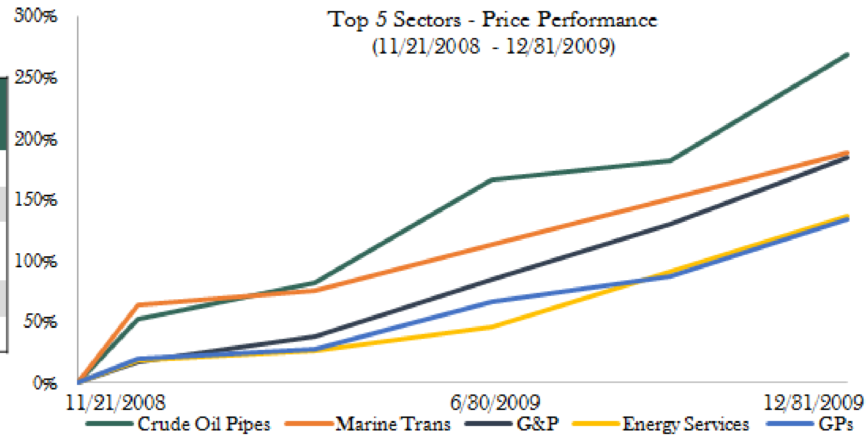
As seen below Commodity MLPs popped first but Infrastructure MLPs outperformed over the course of 2009. Infrastructure MLPs returned 139% and Commodity MLPs 122%. The performance divergence between Commodity and Infrastructure was not as distinct as between high and low yielding MLPs.

Segment	# of MLPs	Average Yield	Price Change From 11/21/2008 Through:		
			12/31/2008	6/30/2009	12/31/2009
Commodity	29	27%	26%	64%	122%
Infrastructure	43	22%	21%	71%	139%

Source: Yorkville Capital Management.

The top five performing sectors during the rebound consisted of two Commodity MLPs and three Infrastructure MLPs. Three of the five sectors had average yields that were at or below their segment's averages. Crude oil pipeline MLPs were by far the best performers gaining 250% and had a below average yield. Marine Transportation and Gathering and Processing (G&P), the second and third best performing sectors, were the only two sectors that had yields above their segment averages.

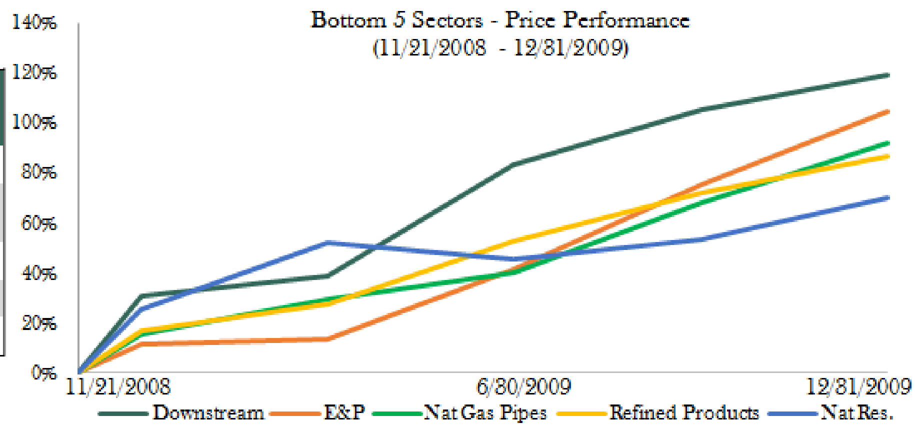
Sector	Average Yield
Crude Oil Pipes	15%
Marine Trans.	31%
Gathering & Processing	29%
Energy Services	20%
General Partners	22%



Source: Yorkville Capital Management.

The bottom five sectors can be seen in the table and graph below. Natural Resources and Refined Product Pipelines were the two sectors with the lowest average yield and they were also the two worst performing sectors from the trough through 2009. They both returned over 70% but they didn't rebound nearly as fast as the other MLP sectors.

Sector	Average Yield
Downstream	18%
Exploration & Production	33%
Nat Gas Pipes	28%
Refined Products	18%
Nat Resources	18%

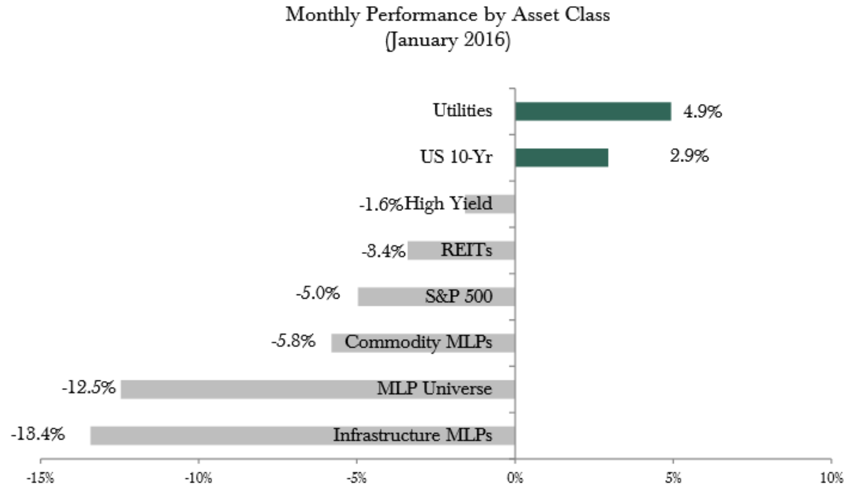


Source: Yorkville Capital Management.

The greatest predictor of outperformance during an MLP rebound was yield. MLPs with the highest yields produced significantly higher returns than lower yielding MLPs. It appears that depressed valuations are the primary determinant of returns during the initial stages of an MLP recovery. MLP yields on January 20, 2016 were 17% away from all-time highs. If valuation is the driver of recoveries, it may be time to start positioning your MLP portfolio for a rebound.

MLP Composite Performance vs. Other Asset Classes

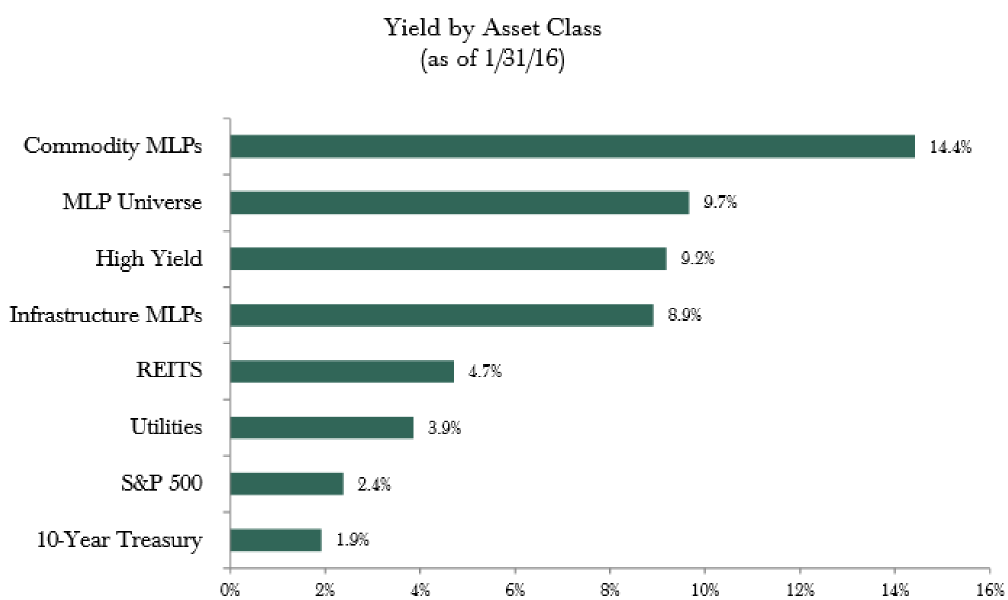
MLPs were the worst performing asset class for January, declining 12.5%. Commodity MLPs (-5.8%) outperformed Infrastructure MLPs (-13.4%) by a wide margin. Commodity MLPs are more likely to bounce higher off the bottom when there are significant moves in the price of oil. The price of oil was up 7.5% in the second half of January and Commodity MLPs followed its lead. Meanwhile, Utilities (+4.9%) was the best performing asset class for the month.



Source: Yorkville Capital Management.

MLP Composite Yields vs. Other Asset Classes

The Yorkville MLP Universe Index yielded 9.7% as of January 31, 2016, 780 basis points above the 10-Year Treasury and well above the historical average spread, indicating an attractive relative valuation for the asset class. Infrastructure MLPs yielded 8.9% while Commodity MLPs yielded 14.4% for a segment spread of 540 basis points.



Source: Yorkville Capital Management.

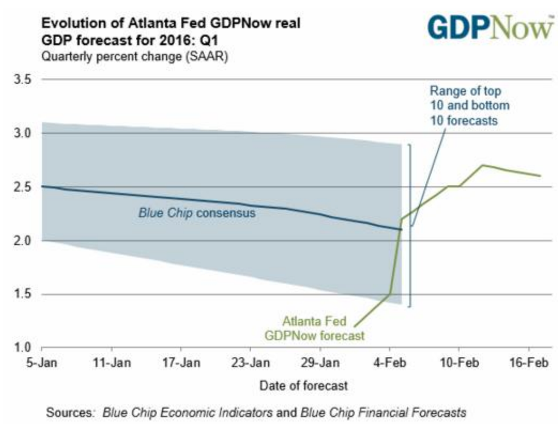
Yields on REITs (4.7%) and Utilities (3.9%) remained near the 4% threshold, though the yield on REITs increased ~80 basis points over the past month as prices fell. The 10-Year Treasury ended the month with a 1.9% yield.

Small Cap Equity — Bullseye Asset Management

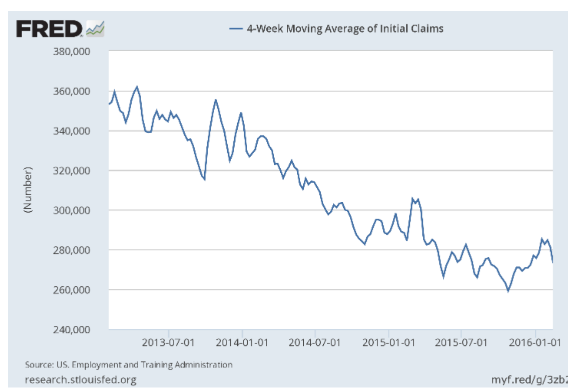
January was a dismal month for equities in general, small cap stocks suffered disproportionately as the Russell 2000 Index declined 8.8%, the worst monthly showing since the summer of 2011. We are very displeased with the strategy's performance lately but believe the current sell-off among small cap stocks is significantly overdone.

The decline in the equity markets that slowly had been underway since the middle of last year suddenly accelerated and reached a crescendo of panic selling in early February. Investors abandoned stocks with no regard for the underlying fundamentals. The drivers of the descending stock market rotated daily making investing nearly impossible. Drivers rotated between weakness in the Chinese economy and the declining Yuan, crumbling oil prices, slumping commodities price, followed by concerns over rising interest rates in the U.S., on to fears of a U.S. recession, and finally concerns over the health of the European banking system. All of these are legitimate concerns that investors have, but the whipsaw trading, the double digit declines on no news, and wide bid-ask spreads points to disorderly and chaotic liquidation of stocks.

In last month's commentary we outlined the case for a growth-slowdown in the U.S. rather than an outright recession. Since then the Bureau of Economic Analysis reported U.S. GDP grew by 0.7% during the fourth quarter. In addition, the Federal Reserve Bank of Atlanta is estimating that economic growth in the first quarter should increase to 2.6% as of February 17, 2016.



The strength of the labor market is a major factor in health of the overall economy. Job losses and rising initial unemployment claims is at the heart of every recession. The bears had been pointing to the rise in initial unemployment claims in the last several weeks, but the latest drop to 262,000 claims reverses that trend.



However, we did not anticipate the negative sentiment in the market and drudging growth stocks have suffered. The confluence of weakness in China, depressed oil prices, issue with the European banking system, a possible U.S. recession, and potential rate hike caused investors to flee to safety. Growth stocks were sold off first and any questions asked later. We are floored by the speed and magnitude of the drops in a number of our long holdings. We unfortunately have been through similar circumstances, and have we seen our stocks rebound strongly when fundamentals once again matter.

The strategy declined 11.9% (net of fees and incentive allocation) during January, a very disappointing result. Our long holdings were the primary cause of the weak performance as they fell 19.8% (this and the following performance numbers are cited gross of fees and incentive allocation). Our short holdings held their own and added 8.1%. On an unweighted basis, the short book gained 12.9%, significantly better than small cap stocks overall. However, this did not offset the poorly performing long picks. Information technology was the worst performing sector subtracting 590 basis points from performance with the long side costing us 770 basis points and the short side adding 180 basis points. Our healthcare holdings, unfortunately, performed almost identically, and these cost us 580 basis points. Our healthcare longs deducted 760 basis points from performance, while our healthcare shorts added 180.

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We see the sell-off among small cap stocks and our holdings specifically as vastly overdone. We have selectively been adding to our long holdings and increasing the top portion the portfolio. The current downdraft in the stock market reminds us of the Spring of 2014, when Chair Yellen remarked that biotech and SaaS stocks might be overvalued and triggered a wave of wholesale selling. In the following 18 months a number of these stocks reached all-time highs along with the overall market. The market's decline in 2016 has the same air of panic and indiscriminate selling as that of the spring of 2014. Although the drivers are different, we believe numerous stocks in the strategy are oversold based on fundamentals, and may reward investors willing to stay the course, in our view.

Source: Bullseye Asset Management.

Merger Arbitrage — Kellner Private Fund Management

Kellner remained fully invested with 35 positions held at the end of January and five deals completed successfully during the month, including two of our largest positions, Berkshire Hathaway's $32 billion acquisition of Precision Castparts Corp. and ACE Limited's $29 billion deal with Chubb Corp.

Performance in January was driven largely by shareholder approval of Royal Dutch Shell's acquisition of BG Group. BG Group's vote at the end of the month was the final hurdle to the deal, originally valued at $70 billion, but now worth about $50 billion because it is linked to the price of Royal Dutch Shell's shares. The deal is expected to close mid-February. Large deals continued to make headlines with Shire and Baxalta announcing a $32 billion deal that would create the world's leading rare-disease drugmaker and the $14 billion merger between Johnson Controls and Tyco International. Also in January, Abbott Laboratories agreed to acquire diagnostic-test company Alere Inc. for $5.8 billion.

Global Real Estate — Ascent Investment Advisors

Global REITs performed poorly in January as they were negatively impacted by both fears of slowing global growth (following events in China) and a decelerating domestic economy. The latter concern was underlined by news that GDP had expanded by a disappointing 0.7% in the fourth quarter of 2015. The Financials sector lagged as expectations moderated about the number of times the Fed would increase rates in 2016 after December's 25 basis point rise. Specialty and medium-sized REITs underperformed as the flight to safety drove the 10-Year Treasury yield below 2%, causing yield-starved investors to sell their bonds and buy the higher-yielding (and lower quality) REITs, while the prevailing "risk-off" sentiment caused REIT-dedicated investors to seek the perceived safety of the large-cap blue chip REITs. While December U.S. non-farm payrolls were robust, both retail sales and industrial production fell as a precursor to the poor fourth quarter GDP print. Against this backdrop, defensive property types performed relatively well, including healthcare, net lease, and self storage.

In Europe, global concerns were a significant factor in the decline in REIT share prices, with weaker Chinese data and the ongoing oil price slump putting pressure on equity markets. There was some respite towards month-end after Mario Draghi indicated that the European Central Bank (ECB) could reconsider its policy in March, leading some in the market to expect another 10 basis point cut in the deposit rate. Eurozone annual inflation (consumer price index) ticked up to 0.4% in January from 0.2% in December.

In Japan, real estate stocks were very weak in the first few weeks of 2016 before recovering some of the lost ground to close the month above the intra-month low. Market dynamics were dominated by a single event on the final trading day of the month when the Bank of Japan (BoJ), against all expectations, moved to implement a negative interest rate policy on excess reserves held at the central bank. In essence this is designed to incentivize banks to put excess cash to use in the economy. While the move is clearly in line with the BoJ's aim to increase inflationary expectations, the new policy will also have repercussions throughout the financial system and the real economy. In the process, BoJ Governor Kuroda has again demonstrated his ability to surprise financial markets, as he himself clearly ruled out such a move just a week ahead of the decision. Investors had limited time to price in this change before the end of the month, thus performance for January as a whole tells us almost nothing. The new policy appears to be bad for banks and, potentially, good for real estate. The bank sector did indeed close January down by 15.3%. Conversely, the real estate sector, which had been having a lackluster month, jumped 9.5% in the month's final session.

In China, property stocks had a turbulent start to 2016. Chinese stock markets were forced to close early twice within a week after a new circuit-breaking mechanism was triggered. The impending expiration of selling restrictions on major shareholders and a weakening of the Chinese Yuan by the PBoC were blamed for the heavy markets. Continued weak data for the Chinese economy also weighed on sentiment. Meanwhile, in Hong Kong stocks also saw declines as market fears in China spilled over into the local stock market.

MARKET OUTLOOK

Looking ahead, we retain our broadly constructive outlook for global real estate fundamentals and listed REIT returns, but we also remain mindful of the risks. The emerging markets slowdown is constraining global growth, momentum in the U.S. and Europe is moderating and Japan faces stronger headwinds. The risks of policy missteps in China have manifested, raising the prospect of further volatility.

One month into 2016, all eyes are on the Fed as it takes its first step toward policy normalization since the financial crisis. Meanwhile, concerns about China's slowdown suggest that episodes such as the risk-off sell-off that we saw in August could recur. These headwinds, however, do not imply a retreat from global REITs in the near term. The early stages of U.S. tightening have not derailed property stocks in the past. Moreover, the REIT market's eventual resilience following the Fed's decision to cease quantitative easing (QE) in October 2014 provides recent evidence of the market's relatively relaxed approach to the withdrawal of extremely loose monetary conditions. With valuations now below their long-term average, the key to the outlook for global REITs rests with earnings. Regionally, we expect the strongest earnings growth to come in Europe, while the early stages of the Fed tightening cycle should favor non-U.S. REITs.

The primary downside risks are currency-induced dislocations due to policy missteps by the Fed, the ECB and/or the PBoC, and greater than expected weakening in global growth due to further weakness in emerging markets and the disinflationary forces coming out of China. Political risks are also a concern, particularly the UK referendum on EU membership, the European migrant crisis and the general election in the U.S.

The recent drop in oil prices poses two related risks for REITs. First, the imbalance in the oil market comes from an oversupply. The process of rebalancing global oil markets may fall heavily on U.S. energy producers, triggering layoffs and spending cuts to the detriment of an already-weak U.S. economy. Second, the latest slide in commodity prices pushes near-term inflation expectations closer to zero and towards deflation risk. If prices in the economy fall (deflation), consumers may be tempted to delay their large purchases until prices stop falling. This behavior would damage revenues, hiring, and confidence throughout the economy, adding to the risk of a recession.

Although crude oil prices could slide further, a self-correcting bottom may be close. Global supply and demand rebalancing are underway, and today's low prices may accelerate the adjustment. Oil prices appear to be forming a bottom, and with it, the correlation with equity prices should return to a more historical (lower) average.

China's growth will remain at or below the 7% target, as China passes the turning point of its transition from a manufacturing-led to a services-driven economy. Following recent volatility we think policymakers will prioritize stability in the near term. The services sector is strengthening but not yet offsetting the slowdown in investment and manufacturing. The property market's stabilization is encouraging. Looking ahead, we expect further targeted stimulus by the PBoC as financial conditions remain tight. Eurozone growth momentum has leveled out. The refugee crisis has replaced the Greek exit risk as the dominant policy challenge. The ECB is likely to expand QE in early 2016, and we see European property stocks outperforming the U.S.

On balance, our outlook for 2016 is for a continuation of the bull market in global REITs, predicated on:

1. Continued strong industry fundamentals (potential cash flow growth of 4%-6%);
2. Long-term rates remaining a tailwind (10-Year Treasury yield below 3.5% and likely to stay below 3%) as Fed tightening acts to "tap on the brakes" and slow an already-weak economy, reducing the marginal demand for (and cost of) capital;
3. Muted supply, as additions from development are still tracking below the rate of demolition of old, obsolete space; and,
4. Geographically, non-U.S. will outperform U.S. as the major foreign central banks (ECB, BoJ, PBoC) are still in the early stages of easing cycles.

With global central bankers still willing to provide support until job creation broadens and growth becomes self-sustaining, we believe the bull case for global REITs remains intact. Despite the length of the current bull market, we remain focused on the truism that bull markets don't die of old age, they die of excesses. For real estate, that means excess new supply from development, which continues to be muted. Gains will be tougher to come by which means that selectivity and stock-picking have become increasingly important.

We note that the only scenario wherein the Fed would begin to actually tighten is a scenario of sustainable economic growth — which is also inherently bullish for commercial real estate fundamentals, thus offsetting much of the negative impact of higher interest rates. We expect there will be occasional corrections as equities adjust to higher rates, but we intend to use those pullbacks to add to growth-oriented REITs, particularly in Europe and Asia-Pac.

There's also the wild card in the form of the S&P's announced plan in mid-2016 to elevate REITs as a standalone category in their Global Industry Classification Standard (GICS). Currently, REITs are classified under Financials where they've been "hidden" from institutional allocators, allowing most of them to ignore REITs and get their real estate exposure via direct real estate and private equity funds. When REITs are placed in the S&P GICS spotlight, institutions will then be forced to take a stand on REITs and justify their lack of exposure if they have none. If we assume that the institutions that have been ignoring REITs simply adopt a neutral-weight position, that alone would drive inflows of many tens of billions. Indeed, one estimate published in *Pensions & Investments* placed the number as high as $100 billion. To put that in context, the total assets under management of all REIT funds (domestic-only plus global) is ~$130 billion. Clearly, this could be a game changer for REITs and keep a strong bid under

REIT shares as investors acknowledge the higher profile of listed real estate. The creation of a dedicated real estate sector also acknowledges that there are fundamental differences between real estate companies and other businesses. Segmenting coverage and performance attribution of real estate will promote awareness of the sector's distinct investment characteristics and serve as a catalyst for continued growth of the listed real estate market, giving investors access to a wider range of opportunities.

DEFINITION OF TERMS

Abenomics: Nickname for the multi-pronged economic program of Japanese Prime Minister Shinzō Abe. The program seeks to remedy two decades of stagnation by increasing the nations' money supply, boosting government spending and enacting reforms to make the economy more competitive.

Alerian MLP Index: The leading gauge of large- and mid-cap energy Master Limited Partnerships (MLPs). The float adjusted, capitalization-weighted index, which includes 50 prominent companies and captures approximately 75% of available market capitalization, is disseminated real-time on a price return basis (AMZ) and on total-return basis (AMZX).

Bank of Japan (BoJ): The Bank of Japan is the Japanese central bank. The bank is responsible for issuing and handling currency and treasury securities, implementing monetary policy, maintaining the stability of the Japanese financial system, and providing settling and clearing services.

Bid-Ask Spread: The amount by which the ask price exceeds the bid. This is essentially the difference in price between the highest price that a buyer is willing to pay for an asset and the lowest price for which a seller is willing to sell it.

Commodity: A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

European Central Bank (ECB): The central bank of the euro and administers monetary policy of the Eurozone, which consists of 19 EU member states and is one of the largest currency areas in the world.

Global Industry Classification Standard (GICS): A standardized classification system for equities developed jointly by Morgan Stanley Capital International (MSCI) and Standard & Poor's. The GICS methodology is used by the MSCI indexes, which include domestic and international stocks, as well as by a large portion of the professional investment management community.

Gross Domestic Product (GDP): The monetary value of all the finished goods and services produced within a country's borders in a specific time period.

People's Bank of China (PBoC): The central bank of the People's Republic of China with the power to control monetary policy and regulate financial institutions in mainland China. The PBoC has more financial assets than any single public institution, and is second only to the Federal Reserve System of the United States in terms of overall central bank assets.

Quantitative Easing (QE): An unconventional monetary policy in which a central bank purchases government securities or other securities from the market in order to lower interest rates and increase money supply.

Risk-On Risk-Off: An investment setting in which price behavior responds to, and is driven by, changes in investor risk tolerance. Risk-on risk-off refers to changes in investment activity in response to global economic patterns. When risk is perceived as high, investors have the tendency to gravitate toward lower-risk investments, or attempt to reduce risk by selling existing risky positions.

Russell 2000: An index measuring the performance approximately 2,000 small-cap companies in the Russell 3000 Index, which is made up of 3,000 of the biggest U.S. stocks. The Russell 2000 serves as a benchmark for small-cap stocks in the United States.

S&P 500 Index: An index of 500 stocks chosen for market size, liquidity and industry grouping, among other factors. The S&P 500 is designed to be a leading indicator of U.S. equities and is meant to reflect the risk/return characteristics of the large cap universe.

Whipsaw Effect: A condition where a security's price heads in one direction, but then is followed quickly by a movement in the opposite direction. The origins of the term is derived from the push and pull action used by lumberjacks to cut wood with a type of saw with the same name.

Yorkville MLP Universe Index: The Yorkville MLP Universe Index is a market capitalization weighted index, consisting of the entire universe of MLPs.

ABOUT THE AUTHORS

James Alpha Advisors
Michael J. Montague

Michael is James Alpha Advisors' Chief Operating Officer, and is responsible for daily operations of James Alpha Advisors as well as independent risk monitoring for our funds.

Most recently Michael worked as a Portfolio Manager for a global macro fund primarily responsible for commodity research and trading. Michael previously served as a Portfolio Manager for Chapin Hill Advisors, Inc., overseeing asset allocation, trading, and investment activity. Prior to Chapin Hill Advisors, Mike served as a Portfolio Manager for the Cayuga MBA Fund LLC, a long/short equity hedge fund. He began his career with Schlumberger where he spent six years working as a Senior Geophysicist in Schlumberger's Oilfield Services division.

Michael holds a BS degree in Geophysics from Pennsylvania State University and a MBA degree from Cornell University.

Bullseye Capital Management
Jakob V. Holm, CFA:

Jakob Holm serves as Co-Portfolio Manager of the Bullseye Disciplined Long Short Fund LP. He previously served as the Portfolio Manager at Janus Capital Management where he was responsible for the Janus Adviser Small Company Value Fund, Janus Aspen Small Company Value Fund and separately managed portfolios in the Small Company Value discipline. Prior to joining Janus in July 2005, Mr. Holm spent five years at Bay Isle Financial in Oakland, California, managing small-cap value portfolios since March 2002. In addition, he spent four years with Sand Hill Advisors in Menlo Park, California as a Research Analyst, covering a wide variety of industries including communications, financials, REITs, and technology.

Mr. Holm received a Master's degree from Thunderbird School of Global Management in international management, focusing on finance and earned a Bachelor's degree in economics from Augustana College, where he graduated cum laude. He holds the Chartered Financial Analyst designation and is a member of the CFA Institute and the CFA Society of Colorado. Mr. Holm has 16 years of professional investment experience.

Yorkville Capital Management
Darren R. Schuringa

Mr. Schuringa is a globally recognized authority on investing in U.S. energy infrastructure and U.S. energy assets through the MLP structure. He makes regular appearances on CNBC, Bloomberg, Fox, and BNN and is often quoted by major financial publications as an expert on the asset class.

Prior to founding Yorkville Capital Management, Mr. Schuringa was a Partner with the energy-focused investment firm of Estabrook Capital Management. Mr. Schuringa was co-portfolio manager of an energy-centric mutual fund and he managed over $1.0B in institutional fund structures and managed accounts. His clients included some of world's largest pension funds and institutional investors.

Mr. Schuringa received a BA in Finance from the University of Western Ontario and an MBA in Finance from the Crummer School of Business at Rollins College. He is also a Chartered Financial Analyst (CFA), a member of New York Society of Security Analysts (NYSSA), and a member of National Association of Publicly Traded Partnerships (NAPTP).

Ascent Investment Advisors
Andrew J. Duffy, CFA:

Andrew Duffy is the President of Ascent Investment Advisors, LLC and the Senior Portfolio Manager of the Global Real Estate Investments Fund (JAREX / JACRX / JARIX), a mutual fund that invests in publicly traded global REIT securities. Mr. Duffy has more than 18 years of global real estate securities investment experience.

Prior to joining Ascent Investment Advisors, Mr. Duffy was a Managing Director with Citigroup Principal Strategies, where he managed a long/short portfolio of global real estate securities. From February 2005 until January 2008 he was with Hunter Global Investors, L.P. where he was the Co-Portfolio Manager of the Hunter Global Real Estate Fund, LP. Before that he was a portfolio manager at TIAA-CREF for over six years, during which time he was directly responsible for managing over $3 billion in global real estate equity and debt securities. Between 1993 and 1999, Mr. Duffy was a Senior Research Analyst at Eagle Asset Management, where he launched and managed a dedicated real estate securities investment program.

Prior to his career in investments, Mr. Duffy served for five years as an officer in the United States Army, where his assignments included serving in the 7th Special Forces Group and the 82nd Airborne Division. Mr. Duffy received a BS from the United States Military Academy at West Point in 1979 as a Distinguished Graduate (top 5% of class) and an MBA from Harvard Business School in 1986. He earned the Chartered Financial Analyst (CFA) designation in 1996.

IMPORTANT DISCLOSURES

Past performance is not a guarantee or a reliable indicator of future results. As with any investment, there are risks. There is no assurance that the portfolio will achieve its investment objective. Mutual funds involve risk, including possible loss of principal. Saratoga Capital Management, LLC, James Alpha Advisors, LLC, Bullseye Asset Management, LLC, Yorkville Capital Management, LLC, Kellner Private Fund Management, LLC and Ascent Investment Advisors, LLC are not affiliated with Northern Lights Distributors, LLC member FINRA/SIPC. The Saratoga Advantage Trust's Funds are distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC. Certain associates of James Alpha Advisors are securities registered with FDX Capital LLC, member FINRA/SIPC.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund. This and other information about the Fund is contained in the prospectus, which can be obtained by calling 888.814.8180 and should be read carefully before investing. Additional Fund literature may be obtained by visiting www.SaratogaCap.com or www.JamesAlphaAdvisors.com.

As with any investment, there are multiple risks associated with REITs. Risks include declines from deteriorating economic conditions, changes in the value of the underlying property, and defaults by borrowers, to name a few. Please see the prospectus for a full disclosure of all risks and fees.

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