JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

Strategic Asset Allocation — James Alpha Management

The month of July proved to be a tale of two cities in many ways. Focusing on large cap domestic equities and developed markets, July appeared to be a relatively quiet month with solid gains. The S&P500, NASDAQ and Dow all recouped losses experienced in June, with the S&P500 up +2.10%. In Europe, the beginning of the month was marked by the Greek referendum — resulting in some early volatility — but European markets quickly reversed course and posted strong gains, with the Euro STOXX 600 up almost +4% for the month. On the other side of the globe, Asia and emerging market economies suffered a very different fate. The market rout in China accelerated with the Shanghai Composite dropping -14.3%, following a -7.2% loss in June. The downward market pressure bled into other sectors, most notably commodities and emerging markets, with the MSCI Emerging Market Index down more than -7.2%.

July was an especially difficult month for commodity markets, with the energy sector suffering considerable losses. Crude dropped by more than -20%, the result of a perfect storm of bearish news. The Iran nuclear deal was front and center throughout the month as it appeared more and more likely a deal would pass. An Iran deal would add roughly one million barrels per day in production to a market that is already oversupplied by 2mm barrels/day globally. In addition to the increase in daily production, some estimate that Iran has more that 20mm barrels sitting in storage that would flood the market almost immediately, when sanctions are lifted. Talks of an Iran deal, combined with China and emerging market pressures and signs of slowing demand in the U.S. all converged to push crude to its largest decline since the selloff began over a year ago. The drop in crude resulted in selling pressure in the MLP allocation of the portfolio and was the largest contributor to losses in July, down -4.8%.

The real estate allocation in the fund proved to be the star performer and continues to be a strong contributor to performance both year-to-date and since inception. Interest rates eased throughout the month, with 10-year treasuries closing at 2.18% after a recent high of 2.5%. The decline in rates helped push some of the higher yielding assets to better levels, real estate included. In addition, the recent allocation to merger arbitrage also continues to contribute positively to performance.

July was a difficult month for the strategy, with the fund underperforming in large part due to the MLP allocation of the fund. This has left us both frustrated and excited for the months to come. When extreme selloffs occur like the one we experienced in July, we often see correlations converge in otherwise uncorrelated asset classes. This was the case between MLPs and crude, which historically have relatively low correlations. Spreads of MLP yields against 10-year treasuries is now approaching levels that historically have led to significant gains in the months that follow. In addition to historically high yield spreads, we are also seeing extremely attractive valuations that we believe point to significant upside potential. We remain cautious and aware that things can always get cheaper before moving higher and will maintain a cautious stance before adding further, but the investment team remains very optimistic about the upside potential in the months to come and will look to increase exposure as volatility and risk subsides.

JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

MLPs — Yorkville Capital Management

MLPs continue their slide and are now down 15.3% year-to-date (as of 8/13/2015). From the peak in August 2014, MLPs are down 30.7%. The price of oil has dropped 54.3% since last August and 26.7% in the last two months alone. In this environment, it's important to step back and put the magnitude of this pullback into perspective.

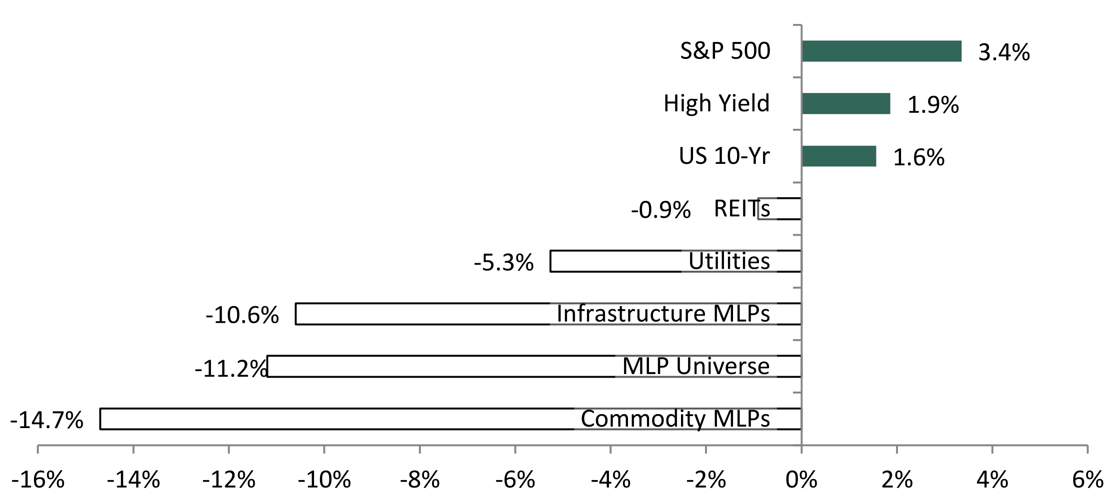
The last eleven months represents the second largest pullback in the history of the asset class and the largest decline for MLP units since the 2008/2009 financial crisis. Historically, sharp selloffs have presented great buying opportunities. In 2008, MLPs were down 40%. In 2009, MLPs were up 80%, recouping 100% of their losses in less than one year.

On a valuation basis, MLPs are trading at a discount relative to their historical averages. On a yield basis, MLPs are trading above their historical averages. The current yield of 7.2% is approximately 18% higher than the 5-year average.

MLPs declined for this quarter, finishing with a loss of -4.3%. Meanwhile, REITs and Utilities rose by 6.1% and 5.0% respectively, and the S&P 500 gained +2.1%. Commodity MLPs (-10.2%) lost more than Infrastructure MLPs (-3.3%), in response to the continuing decline in commodity prices.

After the weak month, MLPs are now down by -11.2%, including distributions, for 2015. This performance remains below Utilities, which have lost -5.3% year to date, and REITs, which are now flat for the year. Infrastructure MLPs (-10.6%) and Commodity MLPs (-14.7%), have both continued to fall since August of 2014. Year-to-date, the S&P 500 is

Performance by Asset Class (YTD)



Source: Yorkville Capital Management.

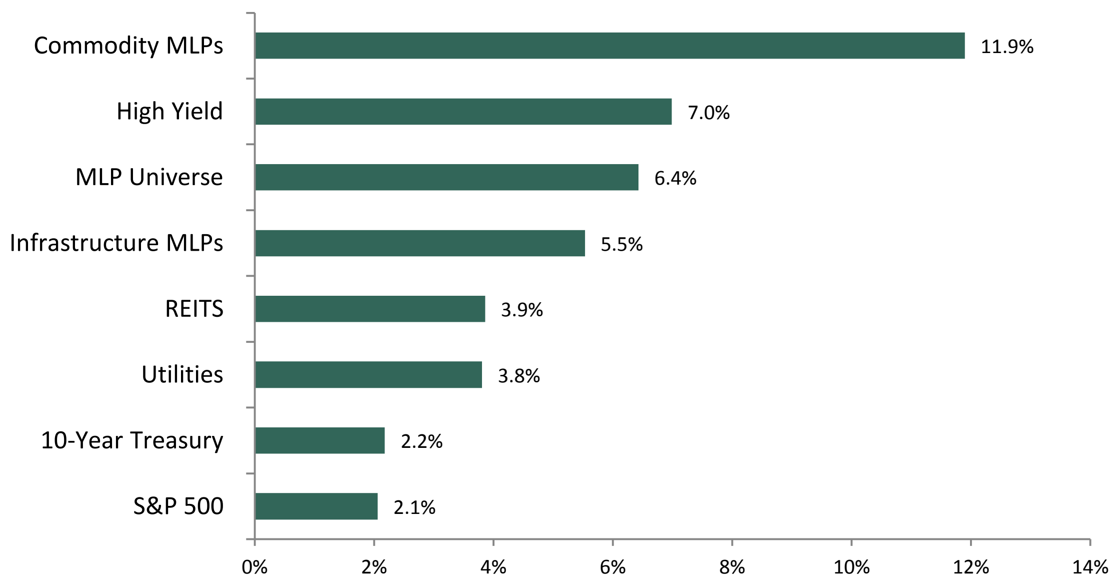
JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

MLP Composite Yields vs. Other Asset Classes

The Yorkville MLP Universe Index yielded 6.4% as of July 31st, 420 basis points above the 10-year treasury and above the historical average spread, indicating an attractive relative valuation for the asset class. Infrastructure MLPs yielded 5.5%, while commodity MLPs yielded 11.9% for a segment spread of 660 basis points, up from the previous month.

Yield by Asset Class (as of 7/31/15)

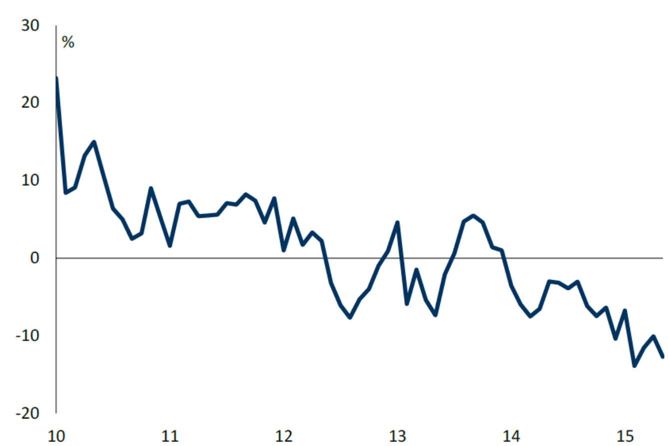


Source: Yorkville Capital Management.

Small Cap Equity — Bullseye Asset Management

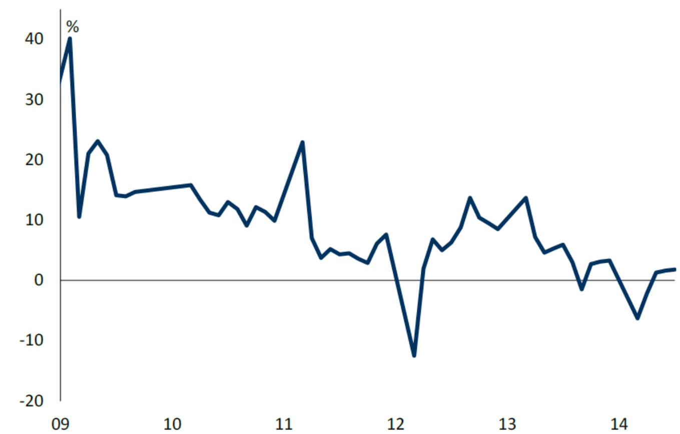
Germany quashed the Greek rebellion and forced Greece to accept humiliating terms in exchange for another bailout. The global markets let out a brief sigh of relief and moved higher for the next two weeks. We chose to remove the additional hedge we had added in case the Greek bailout talks collapsed. In hindsight, we should have left this hedge in place as other factors weighed on the market. The intervention by the Chinese government to prop up its stock market and facilitate a currency devaluation caused consternation among investors. In addition, a deluge of corporate

Exhibit 1: China Freight Traffic YoY



Source: National Bureau of Statistics China, Bloomberg, and RBC Capital Markets earnings reports from U.S. companies have arrived in the last six weeks, and they are somewhat underwhelming.

Exhibit 2: China Electricity Consumption YoY



Source: China National Energy Administration, Bloomberg, and RBC Capital Markets

China quickly became the focal point for global investors. The Chinese stock market bubble has been rapidly deflating and now stands 27% below its peak. While the deflation of a bubble is always troublesome, the real issue is the Chinese government's intervention despite promises to let market forces dictate prices. This only seemed to be the case on the way up, but not as the bubble started to deflate. China has been injecting large amounts of liquidity into the Chinese economy since 2009 to keep the country growing at more than 7% per year. This has led to overinvestment in capital equipment and housing along with a huge increase in debt. Officially, GDP grew by 7% during the last quarter but other statistics point to a substantially lower growth rate. A couple of charts (at right here and on previous page) from Jonathan Golub from RBC Capital Markets clearly illustrate the weaker-than- 7% growth. The planned transition from an investment-led economy to a more balanced consumer-driving one is proving to be a difficult trick to pull off. The weak Chinese economy has had a major impact on commodity prices with crude oil reaching a six year low. Will the weakness in China be pronounced enough to cause a global recession? Europe has more economic exposure, but the U.S. is not immune.

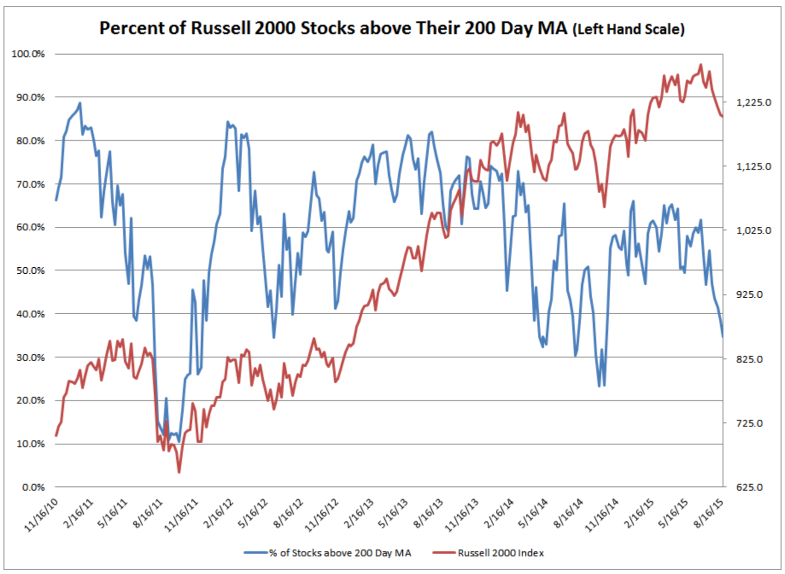
A rush of earnings were delivered during July and August. The reports reflected a good, but not great American economy coupled with weakness in China, Latin America, and Europe. In addition, the dramatic decline in crude oil prices caused a significant decline in earnings among energy companies. Sales growth continues to slow with revenue at large cap companies now expected to rise a mere 1.2% during the second quarter, while sales among small cap companies grew a faster 6.5%. These numbers and the following are according to Lori Calvasina, Credit Suisse's strategist. The energy sector was the worst performer with large cap sales declining 34% and small cap revenues dipping 18%. The best sector performance came from health care stocks, where large cap companies posted a 7% increase and small cap companies experienced a 16% rise.

The Fund's long book saw sales increase the portfolio, while our short book saw companies report a decline. We had a handful of stocks that performed very well during earnings season, however, these almost entirely offset by a similar number of stocks performing very poorly. The Fund declined during July, primarily due to poor performance of a couple of long consumer discretionary holdings. The Fund's health care and information technology holdings were positive contributors during July.

JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

Since mid-July, the global equity markets have been on the decline mostly as fears of China's economic slowdown spilling over to the rest of the world. One of the indicators we track is the percentage of stocks above their 200 day moving average as a measure of how overbought or oversold the market is. As of the third week of August, this indicator has declined substantially since the early summer. It now stands at 34%, and, as can be seen from the chart below, it is approaching the low set-back in the spring and summer of 2014. There is of course no guaranty that the stock market will not decline further, but it is starting to look oversold, in our view.



Source: Bullseye Asset Management.

<u>Global Real Estate — Ascent Investment Advisors</u>

The tentative bail-out agreement in Greece and a better-than-expected GDP report in China have eased concerns over those two countries as sources of uncertainty for risk assets. Meanwhile, improving U.S. and European growth should shift investor attention back to the improving global fundamentals. Implementation risks hang over both the Greece deal and China's policy interventions. Yet, the renewed decline in oil prices could further strengthen global growth, fueled by expectations of a lifting of sanctions against Iran.

The U.S., China, the Eurozone and Japan account for nearly two-thirds of global economic activity; thus, these areas are where global growth matters the most. The market expects that global GDP growth will accelerate in 2015, 2016 and 2017, aided by lower oil prices and stimulus from two of the three leading central banks in the world. That said, the likelihood of rate hikes in the U.S. in late 2015 and the U.K. in early 2016 is a potential growth headwind. Still, much stimulus remains in the system, and more is likely from the Bank of Japan (BoJ) and the European Central Bank (ECB), which may help bolster growth prospects in two key areas of the globe. Although China is unlikely to embark on quantitative easing (QE), Chinese authorities have recently enacted a series of targeted fiscal, monetary, and administrative actions aimed at stabilizing China's economy in 2015 and beyond, and more such actions may follow.

The outlook for global growth matters to real estate investors because it defines the ultimate pace of activity that creates value for countries and companies. The latest economists' consensus forecast for 2015 global GDP growth stands at 2.8%, up from the 2.7% expected three months ago in April 2015 and unchanged from where estimates for 2015 global GDP growth stood at the start of 2015. A year ago, the consensus expected 3.1% growth in 2015; and in early 2013, the consensus expected 3.4% world GDP growth. The downward revisions to 2015 global growth estimates are nothing new. Consensus estimates for global GDP growth have been consistently revised lower since at least 2010. Consensus estimates for global growth in 2016, which stood at 3.2% in July 2015, have also been moving lower since the start of 2015 (3.2%) and since 2016 estimates were first compiled in early 2014 (3.3%). Here again, this should neither surprise nor concern global investors, as global growth estimates are almost always revised lower over time. Looking out to 2017, global growth estimates have remained steady at 3.2%.

Estimates for U.S. GDP growth for 2015 stand at 2.3% at mid-year, down from 3.2% at the start of the year and from the 3.0% forecast a year ago. The drop in oil prices, the stronger dollar, and probably most significantly, the poor start to 2015 (due to bad weather and the West Coast port strikes) account for most of the decline. The consensus estimate for 2016 (at 2.8%) hasn't moved much in the past year, and the consensus is looking for a 2.7% growth rate in 2017.

The consensus expects 7% GDP growth in China this year and 6.5%-7% growth in 2016 and 2017 — and like global growth estimates, the consensus estimates for Chinese economic growth have been moving lower for years. All else being equal, the recent drop in oil and commodity prices should be a net positive for China's growth prospects, but Chinese authorities have continued to struggle to implement the correct mix of monetary, fiscal and regulatory policy to help guide China's economy from an export-led manufacturing economy to a more domestically oriented consumer economy. Over the past few years, China's property bubble gave way to a property price bust, and some of that "hot" money went into Chinese domestic equities, which soared by more than 160% between mid-2014 and mid-2015, before dropping 30% between early June and early July 2015. In our view, the 30% drop in Chinese equities over the past month does not represent any new information about China's fundamentals any more than the 160% gain between mid-2014 and mid-2015 did. In fact, the 160% gain in Chinese stocks in 2014 and early 2015 was accompanied by generally deteriorating fundamentals for the Chinese economy and many Chinese property companies.

Despite the never-ending saga of Greece and its place in the Eurozone, and bucking the usual trend of downward revisions to growth over time, GDP growth prospects in the Eurozone have been revised higher for 2015 and 2016 since the start of 2015. Actions by the ECB to enact QE earlier this year, which helped to heal Europe's fractured banking system, have contributed to positive growth prospects in Europe. Europe is also benefiting from lower oil prices, and a quick resolution of the latest issues in Greece may provide a confidence boost. At mid-year 2015, the consensus expects 1.5% GDP growth in the Eurozone in 2015, accelerating to 1.7% in 2016.

The BoJ is in a “wait and see” mode after enacting QE in early 2013 and then increasing the size of the QE program in late 2014. It has promised to do more if GDP growth in Japan falters or if deflation in Japan persists. Consensus GDP estimates for Japan in 2015 stand at 1.0% at mid-year 2015, unchanged from the estimates made at the start of 2015. Growth estimates for 2016 have been revised significantly higher over the past year, and now stand at 1.4%, up from 1.1% at the start of 2015 and 0.8% a year ago. While deteriorating demographics and large public debt levels will continue to weigh on Japanese growth in the coming years and decades, Japan is now consistently adding to global growth prospects for the first time in many years.

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. We repeat our mantra that we continue to see commercial real estate, and by extension global REITs, as in the middle stages of a long-term bull market predicated on the “goldilocks scenario.” 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 and below the rate of demolition of old, obsolete space.

We also 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.

JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

DEFINITION OF TERMS

Euro STOXX 600: With a fixed number of 600 components, the STOXX Europe 600 Index represents large, mid and small capitalization companies across 18 countries of the European region: Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland and the United Kingdom.

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.

Long/short strategy: investing strategy of taking long positions in stocks that are expected to appreciate and short positions in stocks that are expected to decline. A long/short strategy seeks to minimize market exposure, while profiting from stock gains in the long positions and price declines in the short positions. Although this may not always be the case, the strategy would be profitable on a net basis as long as the long positions generate more profit than the short positions, or the other way around.

Merger Arbitrage: A hedge fund strategy in which the stocks of two merging companies are simultaneously bought and sold to create a riskless profit. A merger arbitrageur looks at the risk that the merger deal will not close on time, or at all. Because of this slight uncertainty, the target company's stock will typically sell at a discount to the price that the combined company will have when the merger is closed. This discrepancy is the arbitrageur's profit.

MSCI Emerging Markets Index: captures large and mid cap representation across 23 Emerging Markets (EM) countries.

NASDAQ: National Association of Securities Dealers (NASD) Composite, an index of more than 3,000 stocks listed on the NASDAQ exchange that includes the world's foremost technology and biotech giants such as Apple, Google, Microsoft, Oracle, Amazon, Intel and Amgen.

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.

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.

Shanghai Composite Index: A market composite made up of all the A-shares and B-shares that trade on the Shanghai Stock Exchange. The index is calculated by using a base period of 100; the first day of reporting was July 15, 1991.

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

JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

ABOUT THE AUTHORS

James Alpha Management
Michael J. Montague

Michael is James Alpha Management's Chief Operating Officer, and is responsible for daily operations of James Alpha Management 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 B.S. 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 B.S. from the United States Military Academy at West Point in 1979 as a Distinguished Graduate (top 5% of class) and an M.B.A. from Harvard Business School in 1986. He earned the Chartered Financial Analyst designation in 1996.

JAMES ALPHA MANAGEMENT INVESTMENT OUTLOOK

July 2015

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. Certain members of James Alpha Management are also registered representatives of FDX Capital, LLC and /or Ascent Real Estate Securities LLC, members FINRA/SIPC. Saratoga Capital Management, LLC, James Alpha Management, 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 Management are securities registered with Catalyst Mutuals Fund Distributors LLC, and/or FDX Capital LLC, both members 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.

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.

THE OPINIONS STATED HEREIN ARE THAT OF THE AUTHOR AND ARE NOT REPRESENTATIVE OF THE COMPANY. NOTHING WRITTEN IN THIS COMMENTARY OR WHITE PAPER SHOULD BE CONSTRUED AS FACT, PREDICTION OF FUTURE PERFORMANCE OR RESULTS, OR A SOLICITATION TO INVEST IN ANY SECURITY.

2499-NLD-9/14/2015