JAMES ALPHA GLOBAL REAL ESTATE INVESTMENTS FUND

Performance Commentary
Provided by Ranger Global Real Estate Advisors, LLC
First Quarter 2018

FOURTH QUARTER MARKET AND FUND PERFORMANCE

Global real estate stocks initially performed well in the first quarter of 2018, extending the rally that began late last year after the U.S. election, as the associated hopes for tax cuts, increased stimulus spending, and regulatory reform fueled investor expectations for stronger economic growth. The FTSE EPRA/NAREIT Developed Real Estate Index (the "Index") had a total return of **-4.30%** for the quarter, while the James Alpha Global Real Estate Investments Fund (the "Fund") demonstrated its defensive positioning and superior stock selection by posting a total return of **-3.32%**, **outperforming the Index by 98 basis points**.

During the first month of the quarter, continued improvement in fundamentals and solid earnings growth drove real estate stock prices higher. Beginning in February, despite continued improvement in fundamentals, real estate stock prices were weighed down by fears of rising interest rates as the U.S. Fed adopted a slightly more hawkish tone. While a move higher in short-term interest rates typically can cause transitory dislocation among yield-sensitive asset classes, including the listed property company sector, history suggests that property company shares ultimately benefit from the underlying forces that cause long-term rates to move higher, namely economic growth that drives more demand for capital, and also for commercial space. The revealed truth is that listed real estate tends to generate positive returns during periods of rising interest rates, at least for the patient investor. By the end of the period, global real estate stocks had moved lower, with international markets outperforming the U.S., driven by the improving economic outlook outside the U.S. combined with still-accommodative central bank policy and less demanding valuations.

Both U.S. and international consumers and businesses are significantly more positive about the outlook than they were this time last year. We expect the economic and real estate cycles to remain in a prolonged recovery stage. The still-slow pace of economic growth, subdued development starts, and a low inflation/low interest rate environment should ensure continued investor demand for real estate. We estimate that listed property companies globally trade at an average 15% discount to our estimates of the private market value of the real estate they own, thus commercial real estate is "on sale" in the listed markets.

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 and the most recent data point to a tick down in new construction. Gains will be tougher to come by which means that selectivity and stock-picking will continue to be important.

FIRST QUARTER ATTRIBUTION ANALYSIS

Attached is the Attribution Analysis Report from FactSet for Q1 2018. Notable take-aways are:

- By Property Sector, the Fund posted total attribution of 178 basis points.

- The Fund benefited from its overweight in Industrial — an outperforming sector — while its holdings in Industrial substantially outperformed the benchmark's, generating 4.36% in total return vs. the benchmark's -1.71%, which together resulted in 79 basis points of alpha with most of it (66 basis points) generated by stock selection.
- The Fund benefited from its underweight in Office — an underperforming sector — while its holdings in Office also substantially outperformed the benchmark's, generating 5.22% in total return vs. the benchmark's -3.41%, which together resulted in 89 basis points of alpha with all of it (91 basis points) generated by stock selection.
- In Retail, the Fund continued to benefit by being underweight to an underperforming sector, plus its holdings in Retail significantly outperformed the benchmark's (-6.83% vs. -9.38%), resulting in very large (100 basis points) positive attribution.
- Within the Specialty sector, notable contributors to the Fund's outperformance were Towers (+25 basis points), Manufactured Housing (+12 basis points), and Data Centers (+9 basis points). Pull-backs in a number of Specialty property holdings created buying opportunities, allowing us to increase our positions in companies benefiting from supply-demand imbalance and which we believe are undervalued relative to their strong long-term growth prospects.
- By Region, the Fund's overweight to Europe, along with the outperformance of its holdings (+1.35% vs. the benchmark's -0.74%) combined to generate 95 basis points of alpha with the majority of it (58 basis points) generated by stock selection. In Asia, the Fund's holdings performed significantly better than the benchmark's (+5.98% vs. -0.25%), contributing 113 basis points of alpha with more than 100% of it (133 basis points) generated by stock selection.

Notable Contributors and Detractors from Performance During the First Quarter

- The Fund's top 10 contributors generated in aggregate +285 basis points of alpha. Notably, all ten of the Fund's top contributors for the quarter are international companies.
- The Fund's bottom ten detracted an unusually high -572 basis points due to one position (Colony NorthStar, more below) reducing portfolio return by -364 basis points. Aside from this anomalously large impact on performance, the other nine detractors in aggregate reduced the Fund's return by a more typical -208 basis points.
- Pure Industrial, an owner and developer of high-quality logistics properties in in-fill markets in Canada, was the top contributor in the quarter, generating 67 basis points after the company received a cash take-over offer from a real estate private equity fund (Blackstone) at a substantial premium to the Fund's cost basis and the current share price.
- InterXion, the largest standalone owner and operator of data centers in Europe, contributed 18 basis points in the quarter as our investment thesis favoring well-managed companies that benefit from growth in internet traffic was validated by strong demand for the company's state-of-the-art data centers.
- Mitsui Fudosan, one of Japan's premier owners of high-quality real estate including significant exposure to Tokyo's Marunouchi District (equivalent to New York City's Times Square), added 25 basis points as its shares appreciated 12% in the quarter in response to strong cash flow growth driven by robust secular demand for office and residential space.

- Colony NorthStar, a manager of a diverse portfolio of assets representing the combination of Colony Capital and NorthStar Realty, was the Fund's largest detractor, subtracting 364 basis points during the quarter as the re-configuration of the two companies' shareholder constituencies played out against a backdrop of uncertainty about the company's new strategy, exacerbated by extreme selling pressure later in the quarter after the company announced a dividend cut (which we expected and see as the right move). Despite the near-term pain, we fully expect the sell-off to be transitory as the company demonstrates the results of its efforts to rationalize its business model.
- CoreCivic, the country's largest owner and operator of private correction facilities, subtracted 33 basis points from Fund performance during the quarter as a result of increased uncertainty around the new administration's plan to adopt a more aggressive stance toward undocumented immigrants, as well as certain states' plans to reduce prison population (in part as a result of legalization of marijuana).
- Regency Centers, an owner of a U.S. portfolio of neighborhood shopping centers with grocery and drug store anchor tenants, reduced Fund performance by 16 basis points as a result of industry headwinds driven by fears of the disruptive impact of e-commerce, which was exacerbated by selling pressure motivated by an up-tick in announcements by retailers of store closures.

2017 ATTRIBUTION ANALYSIS

- For 2017, the Fund generated 653 basis points of positive alpha, with the vast majority of it (501 basis points) generated by stock selection.
- Specialty REITs generated by far the highest attribution (269 basis points) of any sector.

2012-2017 ATTRIBUTION ANALYSIS

- The Fund's superior 2017 performance contributed to the Fund's long-term record of outperformance, boosting its alpha generation over the period to +2,223 basis points with 1,238 basis points generated by stock selection.
- Specialty REITs continued as the sector with the highest alpha generation (759 basis points).

PAYMENT OF Q1 2018 CASH DISTRIBUTION

The Fund's Q1 2018 distribution was paid on 3/28/18 at $0.35 per share (on the I shares). This brings the **12-month distribution yield to 10.24%** and marks the **25th consecutive quarter that the Fund has had a positive distribution,** reflecting the execution of our income-enhancing overlay in an environment that has often been challenging. Looking ahead into the remainder of 2018, we remain highly confident in our ability to meet our strategy.

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DEFINITIONS

FTSE EPRA/NAREIT Developed Global REIT Index: An index whose constituents include publicly-traded real estate investment trusts ("REITs") located on both domestic and foreign exchanges in developed countries. The Index includes securities of companies that derived in the previous full fiscal year at least 75% of its total earnings before interest, depreciation and amortization ("EBIDA") from the ownership, trading and development of income-producing real estate.

JA Global Real Estate Investments Fund

	As of 3/31/18				
	YTD	1-Year	3-Year	5-Year	Since Inception
I Shares	-3.32%	8.78%	4.91%	6.07%	8.37%
A Shares (NAV)	-3.42%	8.33%	4.40%	5.42%	9.75%
A Shares (5.75% max load)	-8.96%	2.10%	2.36%	4.18%	8.78%

Performance data quoted above is historical. Past performance does not guarantee future results and current performance may be lower or higher than the performance data quoted. The investment return and principal value of an investment will fluctuate, so that shares when redeemed may be worth more or less than their original cost. The Fund's management has contractually waived a portion of its management fees until December 31, 2018. The performance shown reflects the waivers without which the performance would have been lower. Total annual operating expenses before the expense reduction/reimbursement are 1.69% for A Shares, 1.44% for I Shares, and 2.44% for C Shares; total annual operating expenses after the expense reduction/reimbursement are 1.69% for A Shares, 1.19% for I Shares, and 2.37% for C Shares. 5.75% is the maximum sales charge on purchases of A Shares. A redemption fee of 2% will be levied on shares held 30 days or less; the performance data above does not reflect the deduction of the fee that would reduce the performance quoted. For more performance numbers current to the most recent month-end please call 888.814.8180. The inception date for A Shares and A Shares (5.75% max load) was October 26, 2009; Inception for I Shares was August 1, 2011.

ABOUT THE AUTHOR, ANDREW J. DUFFY, CFA®

Andrew Duffy is 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 25 years of global real estate securities investment experience.

Mr. Duffy co-founded Ranger Global Real Estate Advisors, LLC in 2016 and serves as the Chief Investment Officer. Prior he served as the Senior Portfolio Manager with Ascent Investment Advisors. 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® designation in 1996.

Risks and 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 Advisors are also registered representatives of FDX Capital, LLC, member FINRA/SIPC. Saratoga Capital Management, LLC, FDX Capital, LLC and Ranger Global Real Estate Advisors, LLC are not affiliated with Northern Lights Distributors. The Saratoga Advantage Trust's Funds are distributed by Northern Lights Distributors, LLC, Member FINRA/SIPC. 11/11

Investors should carefully consider the investment objectives, risks, charges and expenses of the Fund. This and other information is contained in the Fund's 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.

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.
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