James Alpha Management Investment Outlook

March 2015

Strategic Asset Allocation — James Alpha Management

The month of March was marked by exceptionally strong relative performance of the underlying managers and sub-strategies within the fund, allowing the fund to post positive returns in a month where the S&P 500 dropped by -1.7%. Most risk assets were under pressure in March, with domestic equities, emerging markets, real estate and crude all positing negative returns.

One of the star performers for the month was the long/short equity allocation, posting a positive return of +2.63%. Strong stock selection and market cap positioning provided +4.4% of outperformance relative to the broader market loss of -1.7%. The same was also true for the real estate exposure in the fund. The FTSE EPRA/NAREIT index was down slightly in March, while the real estate exposure in the fund provided a positive return of +1.5%.

Energy markets resumed their downward trend after finding some relief in February. Crude dropped -4.3% and the broader MLP universe followed in lock-step, with the Alerian MLP Index down by exactly -4.3% as well. Again, it was exceptionally strong stock selection in the MLP allocation of the fund that allowed for considerable outperformance relative to the market. The MLP sleeve was virtually unchanged, falling by -0.18%. Energy markets appear to be stabilizing in the $45 - $50 range after nearly 10 months of selling, and may provide an attractive opportunity to further increase the MLP exposure within the fund.

March is an excellent example of how strong manager selection and the resulting strong stock selection can provide positive returns in down markets. We continue to evaluate new strategies and managers for addition to the fund and expect to make an additional allocation in the coming weeks.

Small Cap Equity — Bullseye Asset Management

All eyes were on the Federal Reserve Bank's March meeting and the Fed's commentary. The question remains: when will the Fed officially end its Zero Interest Rate Policy (ZIRP) and start to nudge interest rates upward? The key determinant is the strength of the U.S. economy and its ability to absorb higher rates.

The year commenced with much optimism about the health of the economy and the labor market. However, as the winter months passed and spring arrived, it became clear that freezing temperatures in much of the eastern U.S. had dampened economic activity. The labor market appears to have cooled somewhat as the temperatures dropped. In March, only 126,000 non-farm jobs were added and the previous two months saw negative revisions as well. The March number missed expectations of 245,000 by a wide margin, and produced the weakest number since 2009. Furthermore, wages for most U.S. workers continue to stagnate, making this recovery decidedly unequal. It also leaves plenty of slack in the labor market, and the Fed acknowledged as much when it noted that full employment implied an unemployment rate of 5.2 - 5.5% rather than the 5.5. - 5.8% previously used.

The headwinds of a strong dollar and very weak earnings from energy companies might conspire to a year of flat to slightly declining earnings, the first time in several years for large cap companies. An appreciating dollar is slowly restraining exports, primarily felt by large cap companies with substantial overseas sales. As most small cap companies have significantly less exposure to overseas' revenue, if any, they are likely better positioned than large cap companies.

The U.S. economy remains lukewarm, but this is better than the rest of the world economy. It might also be enough for the Federal Reserve Bank to postpone a campaign of interest rate increases until later this year or even until 2016. This would further elongate the current business cycle.

At quarter-end, the Fund's largest sector exposures on a gross basis were to information technology, healthcare and consumer discretionary stocks respectively. During the month, the biggest positive contributor to performance was information technology stocks followed by healthcare stocks.

The biggest negative contributors from a sector perspective came from consumer staples — in particular, our short positions in two supermarket chains went against us. The Fund's long telecommunications stocks were all down during the month.

For the quarter, the biggest positive contributors also included information technology and healthcare stocks. Both the long and short technology holdings contributed positively to performance. In addition, the Fund's industrial holdings also contributed positively to performance. This was split almost evenly between positive contribution from the longs and the shorts.

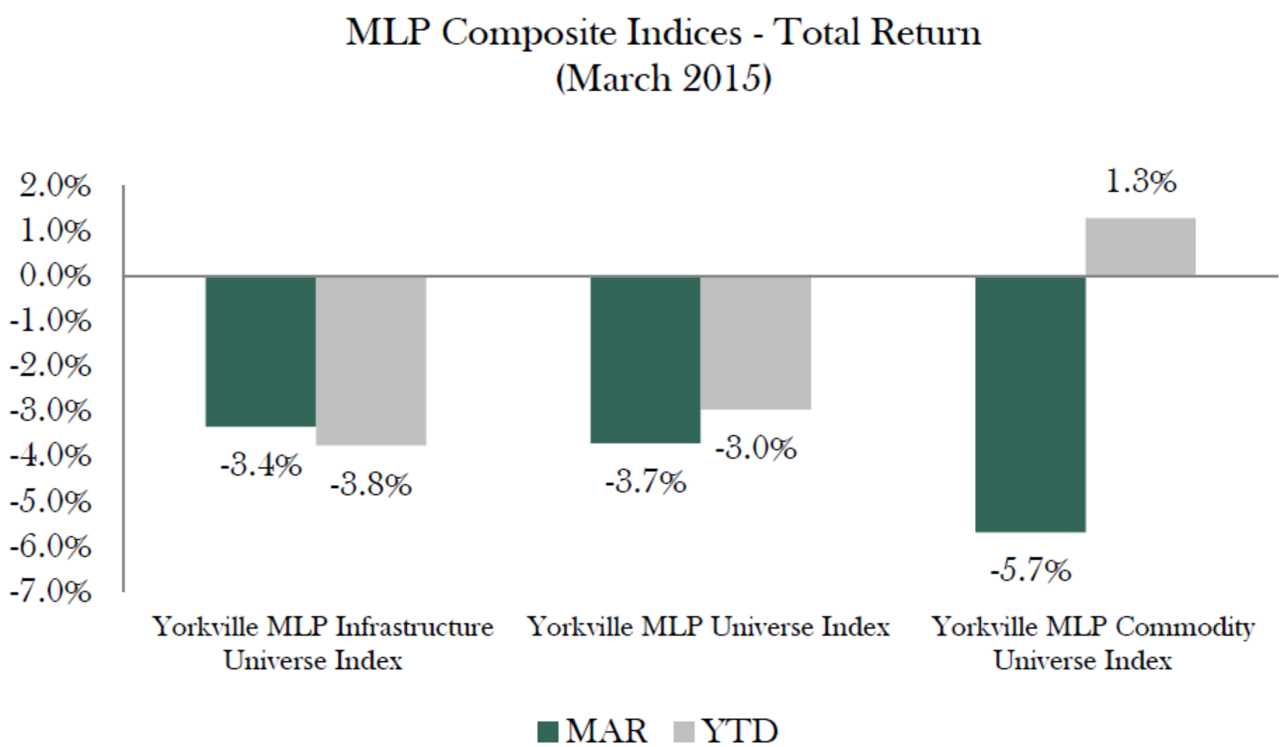
MLPs — Yorkville Capital Management

MLP prices have been gyrating greatly in the past few months — mostly going down. Naturally, we all want to understand what is happening. Our fundamental analysis , based on nearly three decades of researching and investing in the MLP asset class, leads us to believe the following:

1. Oil and gas prices have dropped so precipitously that many investors believe erroneously that all MLPs will be seriously and materially affected by these significant declines. This is true of the "upstream" MLPs — those that extract oil and gas from their properties and sell the commodities. Upstream MLPs' cash flows are ultimately dependent on commodity prices. In fact, many have already reduced their distribution payments to investors and have seen their market prices decline substantially.
2. For "midstream" or infrastructure MLPs - those that provide the infrastructure for transporting, storing and handling oil and gas and their derivatives - the case is markedly different. Midstream MLPs are paid fees for their services and, in many cases, these fees are fixed by long-term, take-or-pay contracts with major corporations. Hence, in nearly all cases, the current cash flows are NOT affected by oil and/or natural gas prices. In addition, most of these MLPs have major, multi-million dollar expansion projects that will add to the distributable cash flow available to pay to investors. Lastly, we believe that increased distributions for 2015 will be in the 4-6% range or better - a large boost over U.S. inflation and protection from potential rate increases.
3. Among many other factors, not in order of significance or magnitude, the recent declines have also been exacerbated by: 1) selling by uninformed investors who do not differentiate between MLPs ("they are all the same"); 2) panicked sales by those fearing that prices will continue going down and that MLPs are in danger of default or bankruptcy; 3) institutions "playing the market" for short-term gains, exiting the sector in order to wait for stabilization before they begin buying MLPs again; and 4) investors that fear the market will "crash."

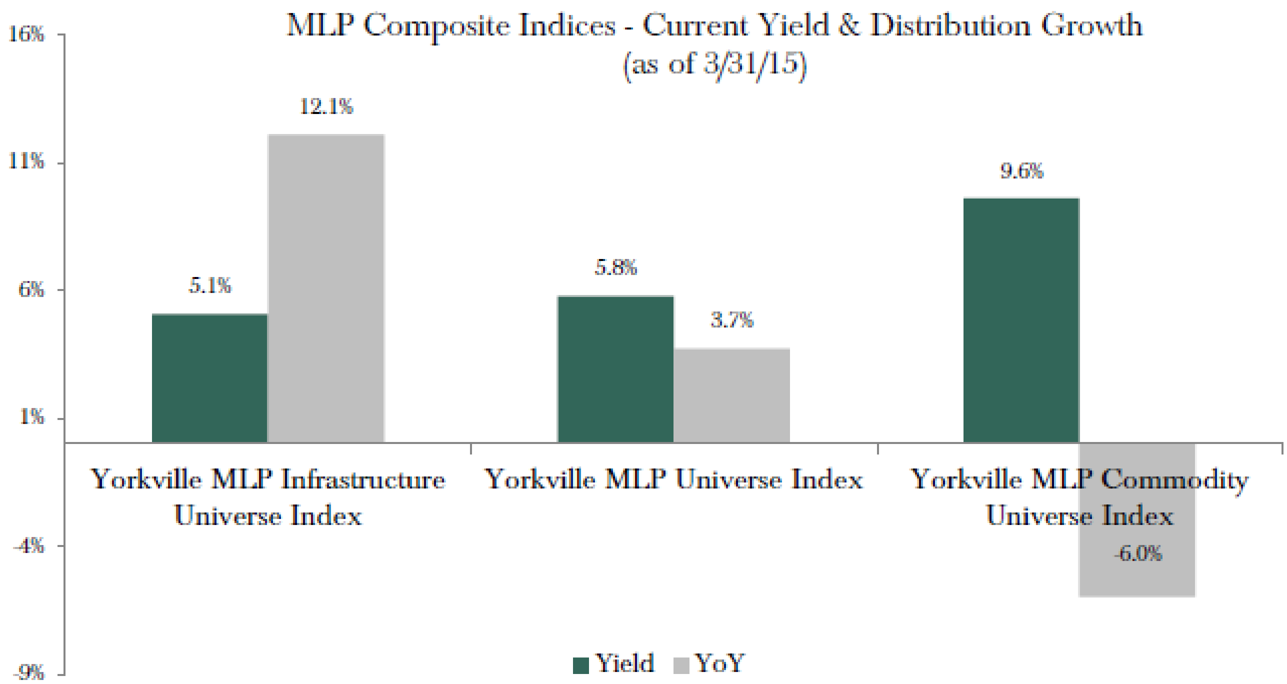
The Yorkville MLP Universe Index declined for the second straight quarter in 1Q15, falling -3.0%. MLPs were slightly positive heading into March, however, the asset class lost -3.7% in the month to finish down for the quarter. Since the beginning of 2014, MLPs have produced a total return of just +4.2% and valuations have become more attractive for an entry point.

After getting crushed in 2014, commodity MLPs beat infrastructure MLPs for the first time in ten quarters, gaining 1.3% versus a loss of 3%. However, commodity MLPs did fall more in March, dropping -5.7% on the month compared to a -3.4% decline for infrastructure MLPs. Meanwhile, the S&P 500 lost 1.6 percent in March and is +1.0% three months into 2015.



Source: Yorkville Capital Management. The referenced indices are shown for general market comparisons and are not meant to represent the Fund. Investors cannot directly invest in an index; unmanaged index returns do not reflect any fees, expenses or sales charges. Past performance is no guarantee of future results.

As of March 31, the Yorkville MLP Universe Index yielded 5.8%, or roughly 10 basis points higher from a quarter earlier. Distribution growth was weak as a couple sectors suffered distribution cuts, with year-over-year average distribution growth coming in at +3.7% for the asset class. Infrastructure MLPs yielded 5.1% or 4.5 percent less than their Commodity MLP peers (9.6%). Average distribution growth was an impressive +12.1% year-over-year for Infrastructure MLPs but Commodity MLPs distributions declined 6 percent on average.



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To reiterate our thesis for MLPs: 1) the midstream MLPs are the veins and arteries of the economic body of our country; 2) our society could not function without the instant availability of energy when we need it and where we need it — a large majority of which is provided by the crucial services offered by MLPs; and 3) recent studies by recognized analysts have projected that approximately $1 trillion will likely need to be invested in our energy infrastructure over the next 10-15 years — the entire amount, in all likelihood, by MLPs, given their substantial cost of capital advantage and expertise over corporations.

In summary, we have experienced these ups and downs in prices many times over the history of MLPs. What is most important to us: 1) we continue to receive our quarterly cash flow; and 2) as a bonus, we will potentially see our income consistently grow over time. Our strong belief is that both of these expectations will be met. So try to ignore current gyrations and understand that fundamentals will ultimately triumph and be reflected inexorably in market values.

Global Real Estate - Ascent Investment Advisors

Global REITs were essentially flat in March. Regional performance was mixed, with the U.S. and UK declining, while continental Europe and Japan rose. In the U.S., economic data generally remained soft, which combined with ongoing dollar strength contributed to concerns over the upcoming earnings reporting season. Views on the timing of the first U.S. interest rate rise fluctuated through the month with the strong labor market data bringing forward expectations for the first hike to June, while subsequent dovish commentary from the Fed pushed expectations back out again to September. This shift in expectations contributed to some volatility in U.S. equity markets in March. In the UK, uncertainty ahead of the UK general election in May partly contributed to the weakness in UK equities. European economic data continued to improve during the month and contributed to the gains in European equities.

With the European Central Bank (ECB) indicating that it would buy sovereign bonds down to negative yields, both bonds and equities rose further on the back of the expected continued reduction in European yields, which should be supportive of economic growth. Negotiations relating to the Greek bailout program continued, with Greece yet to sign up to a reform agenda which satisfies the demands of the European finance ministers. Ultimately, investors expect a compromise to be reached which could provide some small concessions to Greece, but not to the extent initially sought by the Greek government when elected in January.

Chinese data generally continued to disappoint, but was again distorted to some extent by the timing of Chinese New Year — with retail sales and industrial production weaker, although PMIs were slightly better. The HSBC composite PMI rose 0.8 to 51.8, manufacturing PMI fell -1.5 to 49.2 while services rose 0.2 to 52.0.

Japanese data also tended to be mixed with industrial production falling sharply after recent strong gains, while Q4 GDP was revised down to 1.5% annualized. However, many business sentiment surveys improved as did consumer confidence. The Bank of Japan (BoJ) left policy unchanged. While remaining upbeat on growth and indicating the economy had continued on its moderate recovery trend, the BoJ cut its inflation outlook, suggesting it could remain about zero for the time being. Despite the change in the short-term outlook for inflation, the BoJ continued to indicate that its longer-term inflation target of 2% is achievable. This suggests that the BoJ may wait and see how inflation trends develop in coming months — and an imminent increase in monetary stimulus in response to lower inflation readings could be delayed by a number of months but is probably still likely around mid-year.

In the U.S., the weak March jobs data was a disappointment. The question is, what is its significance? From a macro point of view, we would not place much emphasis on any one monthly data point. From a technical point of view, it may encourage a continued correction of the dollar's Q1 gains. The economic weakness in Q1 already prompted the U.S. Fed to lower its growth projections, though Fed Chair Janet Yellen noted that even with the downgrade, it expects above-trend growth for the year. The poor employment report is unlikely to change this assessment. Sectors like construction and leisure/hospitality, which are the most sensitive to weather, were particularly weak in March. Thus, we are reluctant to read too much into the weakness in Q1 economic activity. Over the last five years, there has been a clear pattern of weakness in the first part of the year. Consider that growth in Q1 has averaged 0.6% compared with almost 2.9% for all the other quarters. In three of the five years, growth in Q1 was the slowest for the year (2010, 2011, 2014) and in one year it was the second weakest (2013). Fed officials have argued that the headwinds in Q1 will prove transitory. This seems to be the most likely scenario. That said, the implications of the jobs report, especially the 0.1% fall in the average work week, suggests the quarter ended on a weak note.

Despite the mixed data, the global economy is still expected to grow just over 3% in 2015 with global PMI data suggesting a rebound in coming quarters and importantly, the U.S. economy is also expected to accelerate again over the remainder of the year following weakness related to the weather and port strikes on the West coast during the first quarter. The U.S. Fed's policy transition will almost certainly be met with increased volatility. We expect the U.S. economy to remain the principal engine of the global recovery, with growth moving above trend, while Japan rebounds from 2014 weakness. We expect the eurozone to accelerate modestly, albeit with growth still weak relative to potential. In such an environment, we believe that commercial real estate and listed REITs will continue to perform well. Nevertheless, uncertainty reinforces our bottom-up focus on property types with genuine pricing power and companies with robust business models — particularly specialty REITs with disequilibrium of demand over supply.

DEFINITION OF TERMS

Purchasing Managers Index (PMI): An indicator of the economic health of the manufacturing sector. The PMI index is based on five major indicators: new orders, inventory levels, production, supplier deliveries and the employment environment.

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.

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 a total-return basis (AMZX).

FTSE EPRA NAREIT DEVELOPED Total Return Index U.S.D (RUGL): An index designed to track the performance of listed real estate companies and REITS worldwide. It incorporates real estate investment trusts (REITs) and real estate holding & development companies.

Yorkville MLP Commodity Universe Index: The Yorkville MLP Commodity Universe Index (YCOMU) is a market capitalization weighted index, consisting of the entire universe of MLPs in the following main business segments: Exploration & Production, Natural Resources, Marine Transportation, Downstream, Energy Services and General Partners.

Yorkville Infrastructure MLP Universe Index: The Yorkville MLP Infrastructure Universe Index (YINFU) is a market capitalization weighted index, consisting of the entire universe of MLPs in the following main business segments: Refined Product Pipelines, Gathering & Processing, Natural Gas Pipelines, Crude Oil Pipelines and General Partners.

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

Small Cap: stocks with a relatively small market capitalization. The definition of small cap can vary among brokerages, but generally it is a company with a market capitalization of between $300 million and $2 billion.

Large Cap: refers to companies with a market capitalization value of more than $10 billion.

Long position: The buying of a security such as a stock, commodity or currency, with the expectation that the asset will rise in value. An investor who owns 100 shares of XYZ stock is said to be long 100 shares.

Long position: The buying of a security such as a stock, commodity or currency, with the expectation that the asset will rise in value. An investor who owns 100 shares of XYZ stock is said to be long 100 shares.

Short position: The sale of a borrowed security, commodity or currency with the expectation that the asset will fall in value. The sale of a borrowed security, commodity or currency with the expectation that the asset will fall in value.

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.

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 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 Ascent Real Estate Securities 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.

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