JAMES ALPHA MANAGED RISK EMERGING MARKETS EQUITY FUND
JAMES ALPHA MANAGED RISK DOMESTIC EQUITY FUND

Market Commentary Newsletter
Provided by EAB Investment Group, LLC
Second Quarter 2018

At the beginning of the second quarter, most US domestic equity index investors were looking at negative returns due to the volatility spike in February, rising short term US interest rates, and the potential of trade war developments. Instead, the 19.43% reduction in the level of the S&P volatility indicator, the CBOE Volatility Index (VIX), during the second quarter seemed to contradict the heightened investor concerns. Domestic equities rose, despite the realities of the trade war and Dollar strength, as equity analysts nudged S&P 500 earning per shares (EPS) growth expectations towards 20% for 2018. There were other important developments that served to support US equities more than would have been expected in the midst of the trade war rhetoric that characterized the period. US economic growth, spurred by the US tax cuts, distanced itself from the European and Chinese slowing that began to present itself in the quarter. The difference of a US Fed, able to confidently raise rates against the more reluctant European Central Bank (ECB), Bank of Japan (BoJ), and Bank of England (BoE) began to provide more lift than expected to the US Dollar. The strengthening of the Dollar created selling pressure on Emerging Markets assets already vulnerable to the US-Chinese trade considerations and subtly impacted funds flows towards US equities. The strength in the Dollar hurt international issuers of US Dollar denominated debt, which has grown enormously over the past few years. The Fed's committed hiking path has increased the risk of a currency crisis and the possibility of an earnings hit should these foreign Dollar debtors not be hedged effectively. Certainly, US rates remain historically modest but the potential of US economic outperformance and a more hawkish Fed within the context of a trade war seem to support a more defensive approach to equity management.

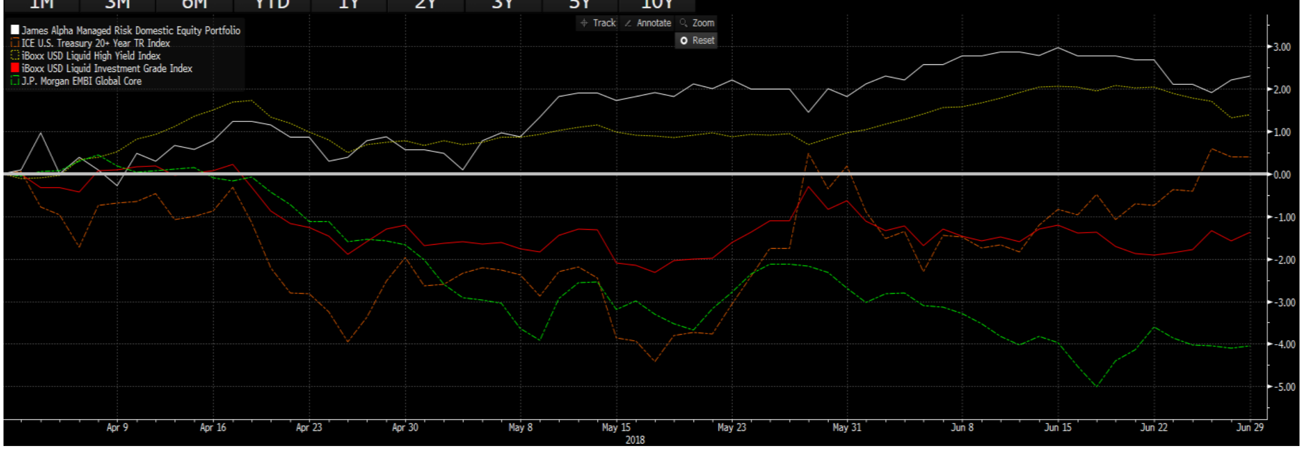
On a global front, there is now growing evidence in economic data that a potential deceleration in global growth may be coming at a particularly inopportune time with the Fed's more hawkish policies. While we don't necessarily believe that a global recession is emerging, the US two year, 10-Year US Treasury yield curve has continued to flatten and measured about 0.33% at the end of the quarter. In the past, a flat curve has, at times, signaled a recession but US indicators continue to confirm robust growth. Our sense is the shape of the curve, which can be impacted by several other factors such as global savings dynamics and market technical factors are not predicting recession in this case. At this time, it's not clear whether the fear of a trade war will further mute global growth expectations and keep savings flowing into the higher yielding US bond market. Should foreign growth and inflation recover to higher levels, it's possible that fears of a stronger US Dollar will recede with foreign central banker's ability to raise rates. Despite the vehemence of President Trump's rhetoric, we still hope that the trade war will remain somewhat contained. We think our global trading partners have much more to lose than the US does, as trade is a much larger component of their economies than the US. Further, it's possible a small rebalancing of trade done within the next 12 months might already be discounted in equities and that a refiguring to intellectual property protections might actually be seen as a positive. However, if foreign growth continues to remain disappointing, the possibility of another period of Dollar strength (despite concerns over US budget deficits) could heighten volatility levels even if US growth remains solid.

While US equity volatility has now receded from the first quarter, volatility still retains the potential to react powerfully. Moreover, this more reasonable 12%-15% level, as compared to the last three years, provides more flexibility to profit from the cycling of volatility through a wider range. We continue to believe that our defensive equity strategies provide an interesting alternative return profile that defends against both equity volatility and may outperform fixed income in a rate rising environment as well. We reminded our investors of this last year and the first quarter and the year-to-date figures have shown this to be true. Looking below, the Fund's results versus major indices, one can see both the lower volatility signature of the Fund and the ability of the Fund to defend well during stress events like the volatility spike on February 9, 2018, and over a longer period of elevated volatility (as during the first quarter). As a result, we continue to stress the benefits of the disciplined systematic defensive equity approach we take. We think the second quarter and year-to-date figures are a solid proof statement for the benefits of a volatility minded approach going forward.

JDIEX US Equity | 97) Settings | Comparative Returns
Range 03/29/2018 - 06/29/2018 | Period Daily | No. of Period 92 Day(s) | Table

Security	Currency	Price Change	Total Return	Difference	Annual Eq
1) JDIEX US Equity	USD	2.29%	2.29%	--	9.41%
2) IDCOT20T Index	USD	.41%	.41%	-1.88%	1.63%
3) IBOXHY Index	USD	1.38%	1.38%	-.91%	5.61%
4) IBOXIG Index	USD	-1.38%	-1.38%	-3.67%	-5.36%
5) JPEICORE Index	USD	-4.04%	-4.04%	-6.33%	-15.09%
6)					

1M 3M 6M YTD 1Y 2Y 3Y 5Y 10Y



Source: EAB Investment Group, Bloomberg. Past performance is not indicative of future results. All funds and strategies may not be appropriate for all investors.

The US Equities

While the US equity market rose nicely for the quarter there was a decidedly different feel to the global markets as trade war fears heated up and the US Dollar drove investors away from foreign equities. We had highlighted Dollar strength concerns last quarter, but the markets seemed unprepared for the turnaround this quarter. Concerns about the pace of interest rate hikes and the ability of US tax cuts to overcome slower global economic data began to overwhelm the markets' bigger inflation concerns of the first quarter. The slight slowdown in some of the Chinese and European economic data, however did nothing to slow down

EPS growth expectations for 2018. Despite increased earnings expectations, the S&P 500 still trades at a relatively high forward looking 17.4 price-earnings ratio (P/E). Low unemployment and modest wage gains continue to drive US consumer/retail gains which were clearly in evidence in the strong discretionary sector performance. But to date inflationary pressures do not seem out of control. On a sector basis the second quarter seemed to favor small to mid-cap shares, discretionary, and technology shares. Interestingly, for the first time in a several quarters, utility shares beat the S&P, as defensive shares performed better as the quarter ended. The trade war's outcome will be increasingly preoccupying to commentators, but the main question will be the degree to which it is discounted in expectations. Our sense is that a moderate muting of global activity could be already in the figures of multi-national exporters, but we think this quarter's conference calls will likely be a reality check on that assumption. We continue to see any negative surprises in this area as potentially market moving. The defensive equity strategy delivered a 2.29% return for the quarter with consistently solid results. The Fund provided what we believe to be particularly good results in moderate drop periods of late April and June. On a year to date basis the Fund is outperforming the long only S&P 500 2.88% to 2.65%, as the value of volatility management in this environment has clearly been shown. Looking forward, we continue to see a supportive US economic outlook but think further equity gains will be harder earned until the trade war reaches a solution. As a result, we see many forces warranting higher levels of volatility. This should help increase the value of the defensive approach we use.

Emerging Markets Equities

The second quarter of 2018 meaningfully disconnected from US equities as the powerful impact of US interest rate hikes and a stronger Dollar drove investors away from emerging market assets. Visible markets such as Argentina, Turkey, and Mexico had significant currency challenges and the Asian tech suppliers also faced difficulties in a stronger Dollar and trade war environment. From a very small early January increase, Emerging Markets equities began fading throughout the period finishing down 9.66% for the quarter. Notably, Chinese equities which had been fairly solid, despite the trade war rhetoric, began to weaken and went negative in the last weeks of June. Asian tech suppliers caught in the trade war and currency maelstrom significantly underperformed their developed markets clients. Our concerns about the stronger Dollar impact on the emerging market region had led us at the beginning of the year to establish a partial hedge on currency exposure. This approach was amply rewarded by adding 0.87% of incremental return year to date, most of this being in the second quarter. Over the quarter the Emerging Markets Defensive Equity strategy provided a -1.64% return versus the long only EEM's -9.66% return. Emerging Markets Equity volatility, which spiked to a lesser degree than the S&P in February, remains at a higher relative level versus the S&P as investors recognized the inherent dangers of the Dollar and trade war fears. The Fund's systematic defensive put option approach, however, continues to limit volatility. At quarter end the Fund's 10-day volatility stood at 10.6% versus the EEM's 19.6%. Fundamentally, Emerging Market Equities demonstrate more attractive valuations than the S&P 500 (13.5 vs. 17.4 P/E), a switch from 2017, and a better yield at 2.59% vs. 1.79%. Earnings growth, however, will be somewhat prey to the trade war and currency environment.

As we have stated previously, Fed policy has clarified around a more hawkish normalization of US short term interest rates which has flattened the US yield curve. We question whether this truly signals a forward looking US economic slowdown. So far US data remains supportive of economic growth but the slight weakening of economic data in Europe and China could continue to be a drag on Emerging Market equities. As we discussed earlier, in order to offset some of the risks of a stronger US Dollar, the Fund has implemented a small Emerging Markets hedged exposure managed on a systematic basis. We believe this is prudent as the US Dollar volatility may remain in effect for longer than expected. While the long-term return perspective for the class remains positive with demographic and reform progress, we continue to think the path for volatility will be higher in the short term. This could favor the Fund's managed volatility approach.

PERFORMANCE

JA Managed Risk Emerging Markets Equity Fund

	As of 6/30/18			
	3-Month	**6-Month**	**1-Year**	**Since Inception** *8/3/2015*
I Shares	-1.64%	-1.44%	3.98%	1.75%
EM	-7.96%	-6.66%	8.20%	8.41%

JA Managed Risk Domestic Equity Fund

	As of 6/30/18			
	3-Month	**6-Month**	**1-Year**	**Since Inception** *8/3/2015*
I Shares	2.29%	2.88%	6.56%	3.46%
S&P 500	3.43%	2.65%	14.37%	11.50%

Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses or sales charges. 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 Funds' 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 for the JA Managed Risk Emerging Markets Equity Fund are 3.44% for A Shares, 3.18% for I Shares, and 4.18% for C Shares; total annual operating expenses after the expense reduction/reimbursement are 3.39% for A Shares, 2.92% for I Shares, and 4.13% for C Shares. Expenses for the Portfolio do not exceed 2.45%, 1.99%, and 3.20% of the Portfolio's average net assets for Class A, Class I, and Class C Shares, respectively, through December 31, 2018, (each an "Expense Cap"). Total annual operating expenses before the expense reduction/reimbursement for the JA Managed Risk Domestic Equity Fund are 3.30% for A Shares, 3.06% for I Shares, and 4.04% for C Shares; total annual operating expenses after the expense reduction/reimbursement *are 3.07% for A Shares, 2.84% for I Shares, and 3.82% for C Shares. Pursuant to an operating expense limitation agreement between the Manager and the Portfolio, the Manager has agreed to waive its fees and/or absorb expenses of the Portfolio to ensure that Total Annual Portfolio Operating Expenses (excluding front end and contingent deferred sales loads, interest and tax expenses, dividends and interest on short positions, brokerage commissions, expenses incurred in connection with any merger, reorganization or liquidation, extraordinary or non-routine expenses and Acquired Fund Fees and Expenses) for the Portfolio do not exceed 2.45%, 1.99%, and 3.20% of the Portfolio's average net assets for Class A, Class I, and Class C Shares, respectively, through December 31, 2018, (each an "Expense Cap"). The maximum sales charge on purchases of A Shares is 5.75%. A redemption fee of 2% will be levied on shares held 30 days or less. For performance information current to the most recent month-end, please call 888.814.8180.*

DEFINITIONS

Bank of England (BoE): The Bank of England is the central bank for the United Kingdom. It has a wide range of responsibilities, similar to those of most central banks around the world. It acts as the government's bank and the lender of last resort. It issues currency and, most importantly, it oversees monetary policy.

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.

CBOE Volatility Index (VIX): Shows the market's expectation of 30-day volatility. It is constructed using the implied volatilities of a wide range of S&P 500 index options. This volatility is meant to be forward-looking and is calculated from both calls and puts. This VIX is widely used measure of market risk and is often referred to as the "investor fear gauge."

Earnings Per Share (EPS): The portion of a company's profit allocated to each outstanding share of common stock. Earnings per share serves as an indicator of a company's profitability.

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.

P/E: Price-earnings ratio. A valuation ratio of a company's current share price compared to its per-share earnings.

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.

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ABOUT EAB INVESTMENT GROUP, LLC

EAB Investment Group, LLC specializes in risk mitigation strategies and works with hedge funds, family offices, high-net-worth individuals, investment companies and other advisors. EAB Investment Group uses equity and index option strategies based on a proprietary process with the goal to reduce portfolio risk and increase the probability of success. A deep understanding of options pricing enables EAB Investment Group to manage carry and attempt to mitigate costs over time, and potentially optimize monetization.

RISKS AND DISCLOSURES

The portfolio will borrow money for investment purposes. Leveraging investments, by purchasing securities with borrowed money, is a speculative technique that increases investment risk while increasing investment opportunity. Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. If the Portfolio purchases a put option or call option, there is risk that the price of the underlying investment will move in a direction that causes the option to expire worthless. The Portfolio's ability to achieve its investment objective may be affected by the risks attendant to any investment in equity securities.

The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in more mature economic structures and less stable political systems than those developed countries. Shares of ETFs have many of the same risks as direct investments in common stocks or bonds. In addition, their market value is expected to rise and fall as the value of the underlying index or bond rises and falls. It is possible that the hedging strategy could result in losses and/or expenses that are greater than if the Portfolio did not include the hedging strategy. The use of leverage by the Fund or an Underlying Fund, such as borrowing money to purchase securities or the use of derivatives, will indirectly cause the Fund to incur additional expenses and magnify the Fund's gains or losses. Because a large percentage of the Portfolio's assets may be invested in a limited number of issuers, a change in the value of one or a few issuers' securities will affect the value of the Portfolio more than would occur in a diversified fund.

Past performance is not a guarantee or a reliable indicator of future results. Investors cannot directly invest in an index and unmanaged index returns do not reflect any fees, expenses, or sales charges. 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, LLC are also registered representatives of FDX Capital, LLC, member FINRA/SIPC. Saratoga Capital Management, LLC, FDX Capital, LLC and EAB Investment Group, 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

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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.