

JAMES ALPHA GLOBAL REAL ESTATE INVESTMENTS FUND

Performance Commentary

Provided by Ranger Global Real Estate Advisors, LLC

Second Quarter 2019

SECOND QUARTER MARKET AND FUND PERFORMANCE

Global real estate stocks were up modestly in the second quarter of 2019, extending the recovery that began in the first quarter, as the U.S. Fed joined the other major central banks in a more accommodative stance, amid renewed concerns over the China-U.S. trade dispute. The FTSE EPRA Nareit Developed Real Estate Index (the “Index”) had a total return of **0.20%** for the quarter, while the James Alpha Global Real Estate Investments Fund (the “Fund”) posted a total return of **2.52%**, **outperforming the Index by 232 basis points (bps)**.

During the quarter, fueled by continued improvement in fundamentals and solid earnings growth, the global REIT market maintained its focus on industry fundamentals instead of the exogenous factors that distracted investors and drove the sell-off in the fourth quarter of 2018. In the U.S., share prices rose modestly as an increasingly dovish tilt in Fed policy was offset by a stall in the progress of U.S.-China trade talks. Eurozone REITs also rose slightly, supported by central banks reiterating their commitment to “lower rates for longer” amid lingering worries over economic growth. UK REITs performed well over the quarter, despite ongoing Brexit-related uncertainty. Asia REITs were weighed down by growth concerns in China, as the Chinese government lowered its full-year growth target to 6%-5.5% — despite also implementing tax cuts and other stimulus measures. Against this backdrop, markets in Japan and Australia performed best.

Much of the rally this year has been built on market expectations that the U.S. Fed now won’t raise interest rates again at any point in the next few years — in fact, the next move expected from the Fed by the bond market is now a cut as early as the July meeting. The sharp fall in the U.S. stock market late last year was probably also a factor in deterring the U.S. administration from further increasing tariffs on China. Thus, the stock market decline last year helped to reduce two of the major risks that had caused it in the first place.

SECOND QUARTER ATTRIBUTION HIGHLIGHTS

The most notable factors of portfolio positioning that contributed to the quarter’s outperformance are:

- What we believe to be superior stock selection, which once again accounted for the vast majority (90%) of total alpha generated over the quarter (258 bps out of a total of 286 bps)
- Our bottom-up driven overweight to Europe and underweight to the U.S. which together resulted in virtually all of the alpha generation by region (289 bps out of a total of 286 bps)
- Our underweight to retail, which saw continued weak fundamentals due to the disruptive effect of e-commerce, generating 100 bps of alpha
- Our overweight to data centers, which accounted for 77% of the alpha generated by our investments in Specialty property types (118 bps out of a total of 154 bps)

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CONCLUSION

Periods of underperformance resulting from market anomalies like we saw in the fourth quarter create pressure on Portfolio Managers to respond by "throwing in the towel" and selling out of what isn't working and buying what is. **We have high conviction in our fundamental research and confidence in the management teams of the companies we own. While global capital markets continue to be wary of macroeconomic conditions and geopolitical stress and thus vulnerable to headline risk, our portfolio is well-positioned to outperform when investor attention turns back to fundamentals.**

DEFINITIONS

Alpha: The excess return of the fund relative to the return of the benchmark index is a fund's alpha.

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.

Returns vs. Category	As of 6/30/19			
	1-Year	3-Year	5-Year	Since Inception*
JARIX	7.06%	8.75%	7.12%	8.75%
Category (Global RE)	7.24%	5.36%	4.46%	5.93%
FTSE EPRA Nareit	8.64%	5.45%	5.79%	7.40%
Morningstar Rank in Category	62	7	2	N/A
# of Funds in Category	227	196	153	N/A

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. 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. 5.75% is the maximum sales charge on purchases of A Shares. For more performance numbers current to the most recent month-end please call 888.814.8180.

The Fund's management has contractually waived a portion of its management fees until December 31, 2019. The performance shown reflects the waivers without which the performance would have been lower. Total annual operating expenses before the expense reduction/reimbursement are 1.62% for A Shares, 1.37%

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for I Shares, and 2.37% for C Shares; total annual operating expenses after the expense reduction/reimbursement are 1.62% for A Shares, 1.19% for I Shares, and 2.37% for C Shares.

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Please note that the Morningstar ranking is for the I Share class only; other classes will have different performance characteristics due to different expense ratios. Morningstar Percentile Rankings are based on the average annual total returns of the funds in the category for the periods stated and do not include any sales charges or redemption fees. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100.

Rankings are only one form of performance measurement. For current performance information, please call toll free 888-814-8180.

ABOUT THE AUTHOR, ANDREW J. DUFFY, CFA®

Andrew Duffy is the Senior Portfolio Manager of the Global Real Estate Investments Fund (JAREX/JACRX/JARIX/JARSX), a mutual fund that invests in publicly-traded global REIT securities. Mr. Duffy has more than 26 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 more than six years, during which time he was directly responsible for managing more than \$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, LLC are also registered representatives of FDX Capital, LLC, member FINRA/SIPC. Saratoga Capital Management, LLC, FDX Capital, LLC,

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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.

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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