

# JAMES ALPHA MANAGED RISK EMERGING MARKETS EQUITY FUND

Share Class	Symbol	CUSIP	Inception Date
S Shares:	JESMX	80343J 783	8/17/2017
I Shares:	JEIMX	803431 220	8/03/2015
A Shares:	JEAMX	803431 246	8/03/2015
C Shares:	JECMX	803431 238	8/03/2015

SECOND QUARTER 2020

## PORTFOLIO FACTS

**Advisor:** James Alpha Advisors, LLC

**Morningstar Category:** Option Writing

**Benchmark:** MSCI Emerging Markets Index<sup>1</sup>

**Minimum Initial Investment:**<sup>2</sup>

**S Shares:**<sup>3</sup> \$15 million

**I Shares:** \$1 million

**A and C Shares:** \$2,500

**Dividend Frequency:** Annually

**NAV (6/30/20):** \$8.25

## HOW WE SEEK TO REDUCE RISK

- Broad-based Index and ETF options are used to implement the hedging strategy
- Purchases puts and put spreads in addition to tactical call selling
- Consistent rebalancing of put protection to maintain relevant protection
- Opportunistic call selling of short dated calls to collect monthly premium

*Techniques that may mitigate volatility risk may also cause the fund to underperform during periods of market appreciation.*

<sup>1</sup> The MSCI Emerging Markets Index captures large and mid-cap representation across 23 emerging markets (EM) countries. With 835 constituents, the index covers approximately 85% of the free float-adjusted market capitalization in each country.

<sup>2</sup> No minimum initial investment for various wrap-fee programs and other sponsored arrangements. I Shares and A Shares are available at NAV for wrap accounts.

<sup>3</sup> Minimum initial investment may be waived by the manager in approved wrap programs or qualified accounts.

*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. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.*

## FUND OBJECTIVE

The Fund's primary objective is capital appreciation. By combining a long emerging markets equity portfolio with options hedging strategies, the Fund seeks to provide enhanced protection during market downturns. The investment is designed to mitigate losses in both moderate and large down markets while seeking steady compounded returns over a full market cycle.

## DEFENSIVE EQUITY CHARACTERISTICS

- Equity exposure with less volatility
- Seeks low correlation to bonds
- Seeks reduced risk of large drawdowns through systematic put strategy
- Offers the potential of more stable compounded return stream
- Does not rely on market timing and is not emotionally driven

## PORTFOLIO STRATEGY

Emerging Markets Equities are desirable for their **potential outsized returns** and **diversifying return streams**.

Unfortunately, clients and advisors alike can be hesitant to invest in Emerging Markets Equities due to their volatility.

### JEIMX CAN HELP CLIENTS INVEST IN EM EQUITIES BY:

- **Smoothing the Ride** — JEIMX 3-Year Volatility (7.6) vs. MSCI Emerging Markets Index (18.5)
- **Reducing the risk of large drawdowns** — JEIMX 2020 Drawdown (-11.6%) vs. MSCI Emerging Markets Index (-23.6%)
- Position clients for potential outsized returns and global equity diversification

**There is no assurance that the Portfolio will achieve its investment objective.** The Portfolio share price will fluctuate with changes in the market value of its portfolio investments. Mutual Funds involve risk including possible loss of principal.

**Alpha** is the excess return of a fund relative to the return of a benchmark index. **Beta** is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole. A beta of less than 1 means that the security will be less volatile than the market, while a beta of greater than 1 indicates that the security's price will be more volatile than the market.

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SECOND QUARTER 2020

## INVESTMENT PERFORMANCE<sup>4</sup> 6/30/20

Share Class	YTD	1-Year	3-Year	Since Inception
<b>I Shares:</b>	-5.39%	-3.51%	0.52%	0.55%
<b>MSCI Emerging Markets Index NET:<sup>1</sup></b>	-9.78%	-3.39%	1.90%	4.42%
<b>Options-based Category:</b>	-3.94%	0.82%	2.42%	2.62%
<b>S Shares:</b>	-5.13%	-3.03%	N/A	0.27%
<b>MSCI Emerging Markets Index NET:<sup>1</sup></b>	-9.78%	-3.39%	N/A	-0.05% <sup>5</sup>
<b>Options-based Category:</b>	-3.94%	0.82%	N/A	2.15% <sup>5</sup>

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 Fund's management has contractually waived a portion of its management fees until December 31, 2020 for A Shares, I Shares, and C Shares and until December 31, 2020 for S Shares. The performance shown reflects the waivers without which the performance would have been lower. 5.75% is the maximum sales charge on purchases of A Shares. For performance information current to the most recent month-end, please call 888.814.8180.

### Expense Ratios

Class	Before Reimbursement	After Reimbursement
<b>S Shares</b>	3.27%	1.97%
<b>I Shares</b>	3.21%	2.42%
<b>A Shares</b>	3.52%	2.88%
<b>C Shares</b>	4.26%	3.62%

The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses until at least December 31, 2020 for I Shares, A Shares, C Shares, and until December 31, 2020 for S Shares to ensure that net annual operating expenses will not exceed 1.79% (I Shares), 2.25% (A Shares), 3.0% (C Shares), and 1.34% (S Shares), subject to possible recoupment from the Fund in future years.

<sup>4</sup> Inception date for I Shares, A Shares, and C Shares is 8/3/2015. Inception date for S Shares is 8/17/2017. Total return for all periods less than one year is an aggregate number (not annualized) and is based on the change in net asset value plus the reinvestment of all income dividends and capital gains distributions.

<sup>5</sup> Data analysis period 7/31/2017 - 6/30/2020.

## OPTION STATISTICS<sup>6</sup>

	Calls	Puts
<b>% Hedged with options</b>	100%	>140%
<b>Weighted average days to expiration</b>	7.00	12.00
<b>Weighted average call premium to earn</b>	0.65%	NA
<b>Weighted average put premium cost</b>	NA	1% - 1.50%

<sup>6</sup> Weighted average days to expiration is the weighted average time until the expiration date of the options. Weighted average call premium to earn is the weighted average potential cash flow to be earned from written call options measured as a percentage of stock assets. Weighted average put premium cost is the weighted average price of put options owned measured as a percentage of stock assets.

## PORTFOLIO ATTRIBUTIONS<sup>7</sup>

<b>Alpha to MSCI Emerging Markets Index NET</b>	-1.63%
<b>Beta to MSCI Emerging Markets Index NET</b>	0.43

<sup>7</sup> Source: StyleAdvisor, 6/30/20.

### Important Fund Risks

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 sells a call option, there is risk that the Portfolio may be required to sell 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 securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in more mature economies, and emerging markets generally have less diverse and less mature economic structures and less stable political systems than those of 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. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. 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.

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## FUND ADVISOR

### JAMES ALPHA ADVISORS, LLC

is a boutique asset management firm solely focused on liquid alternative portfolio solutions. We believe we are experts in providing an innovative, distinct, and comprehensive lineup of alternative investment solutions for institutional and individual investors. James Alpha Advisors is a related entity to James Alpha Management, which was established in 2006 as a single family office and diversified asset management firm specializing in identifying, seeding, and growing alternative investment solutions. The James Alpha Advisors family of mutual funds and related portfolio offerings range from: risk managed equity and income solutions that are intended to provide low volatility growth, alternative sources of income, quarterly or even monthly distributions; to our Dynamic Beta suite of institutional hedge fund indexed strategies; and comprehensive asset allocation offerings, like our Family Office Fund.

## FUND SUBADVISOR

### 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 to manage carry and attempt to mitigate costs over time, and potentially optimize monetization.

## CONTACT US

To purchase Fund shares or obtain updated performance information and Fund literature, contact your Financial Advisor or the Fund at:

**888.814.8180**

[www.JamesAlphaAdvisors.com](http://www.JamesAlphaAdvisors.com)

**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.**

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Not Bank Guaranteed

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