

# JAMES ALPHA STRUCTURED CREDIT VALUE FUND

Share Class	Symbol	CUSIP	Inception Date
S Shares:	JASSX	80343J 460	8/21/2018
I Shares:	JSVIX	80343J 494	8/21/2018
A Shares:	JASVX	80343J 486	8/21/2018
C Shares:	JVCX	80343J 478	8/21/2018

SECOND QUARTER 2020

## PORTFOLIO FACTS

<b>Advisor:</b>	James Alpha Advisors, LLC
<b>Morningstar Category:</b>	Nontraditional Bond
<b>Benchmark:</b> <sup>1</sup>	Bloomberg Barclays U.S. Aggregate Index
<b>Minimum Initial Investment:</b> <sup>2</sup>	
<b>S Shares:</b> <sup>3</sup>	\$15 million
<b>I Shares:</b>	\$1 million
<b>A and C Shares:</b>	\$2,500
<b>Dividend Frequency:</b>	Monthly
<b>Trailing 12-Month Distributions:</b>	\$0.6316
<b>NAV (6/30/20):</b>	\$10.67

## STRUCTURED CREDIT VALUE PROPOSITION

- Structured credit markets, specifically the legacy mortgage sectors, provide the most attractive risk-adjusted returns in the fixed income markets
- Structural attributes effectively lower risk versus corporate credit of comparable yield
- Market inefficiencies offer the opportunity for potential excess returns through active security selection
- Structured Credit sectors offer some of the highest ratios of yield to duration in the fixed-income universe under current market conditions

<sup>1</sup> The Bloomberg Barclays U.S. Aggregate Index is a broadbased benchmark that measures the investment grade, U.S. dollar-denominated, fixed rate taxable bond market, including Treasuries, government related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass throughs), ABS, and CMBS. Investors cannot invest directly into an index.

<sup>2</sup> No minimum initial investment for various wrap-fee programs and other sponsored arrangements.

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

**Risks:** *There is no assurance that the Portfolio will achieve its investment objective. Exposure to the commodities markets may subject the Portfolio to greater volatility. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. Currency strategies will subject the Fund to currency trading risks that include market risk, credit risk, and country risk. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. Securities issued by foreign companies and governments located in developing countries may be affected more negatively by inflation, devaluation of their currencies, higher transaction costs, adverse political developments, and lack of timely information than those in developed countries. Event-linked securities may at any given time be illiquid, thus, the sale of these investments may be made at substantial discounts, delayed, or impossible. The Fund may invest in high yield securities, also known as "junk bonds." High yield securities provide greater income and opportunity for gain, but entail greater risk of loss of principal. The Portfolio may invest in mortgage and asset-backed securities that are subject to prepayment or call risk. Mutual funds involve risk, including possible loss of principal. Liquidity and/or diversification does not ensure profit or protect against loss.*

## FUND OBJECTIVE

The Fund seeks to provide a high level of risk-adjusted current income and capital appreciation. Capital preservation is a secondary objective.

## DISTINCT & REPEATABLE VALUE APPROACH

### INVESTMENT STRATEGY

- Value investing in inefficient markets
  - Price opacity presents opportunity
  - Market diversity and fragmentation
  - Analytical complexity
- Active management
  - Efficient execution enhances returns
  - Active at sector and security level
  - Ability to minimize duration for a given yield target allows the portfolio to be well-positioned for a rising rate environment
- Quantitative cashflow analysis
  - Identifies mispriced securities
  - Exposes credit risk
  - Proprietary models provide competitive advantage

### INVESTMENT PROCESS

- Capital allocation
  - Active, nimble, flexible, patient, opportunistic
- Security selection
  - Screen large number of offerings for pricing anomalies
  - Catalog price discovery for competitive edge in inefficient markets
  - Risk management/surveillance
  - Monthly surveillance to compare actual performance to model projections

## ASSET ALLOCATION\* (AS OF 6/30/2020)

<b>RMBS</b>	46.4%	<b>Corporate</b>	13.9%
<b>CMBS</b>	12.4%	<b>Government</b>	0.0%
<b>ABS</b>	9.3%	<b>Cash</b>	3.0%
<b>CLO/CDO</b>	15.0%		

## DURATION MEASURES\* (AS OF 6/30/2020)

	JSVIX	Morningstar Nontraditional Bond Category	Bloomberg Barclays U.S. Aggregate Index
Effective Duration	1.9	3.1	6.3
Spread Duration	4.3	N/A	6.3

\* Subject to change. Should not be considered investment advice.

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

# JAMES ALPHA STRUCTURED CREDIT VALUE FUND

SECOND QUARTER 2020

## ORANGE INVESTMENT ADVISORS INVESTMENT THESIS

- Value investors in the fixed income markets
  - Security selection-driven, seeking the maximum cashflows on a risk-adjusted basis in the credit markets
- Impose limited constraints on opportunity set
- We seek:
  - Securities with structural features that attempt to increase the accuracy of credit analysis and risk assessment
  - Inefficient markets with mispriced securities
  - Securities with optionality to model inputs such that they exhibit positive skew to those factors, increasing in price more than they decrease in response to equal but opposite variation of model inputs

## INVESTMENT PERFORMANCE<sup>4</sup>

Share Class	YTD	3-Month	6-Month	1-Year	Since Inception (8/21/2018)
I Shares:	6.86%	11.78%	6.86%	9.32%	8.61%
S Shares:	7.02%	11.92%	7.02%	9.58%	8.97%
Barclay's U.S. Aggregate Bond Index: <sup>1</sup>	6.14%	2.90%	6.14%	8.74%	8.70% <sup>5</sup>
Nontraditional Bond Category:	-2.57%	5.46%	-2.57%	-0.42%	1.44% <sup>5</sup>

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 March 31, 2021 for I, A, C Shares and until March 31, 2021 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 more performance numbers current to the most recent month-end, please call 888.814.8180.

### Expense Ratios

Class	Before Reimbursement	After Reimbursement
S Shares:	1.94%	1.13%
I Shares:	2.01%	1.51%
A Shares:	2.39%	1.75%
C Shares:	3.12%	2.50%

The Fund's investment adviser has contractually agreed to reduce its fees and/or absorb expenses until at least March 31, 2021 for I, A, C Shares and March 31, 2021 for S Shares, to ensure that net annual operating expenses will not exceed 1.49% (I Shares), 1.74% (A Shares), 2.49% (C Shares), 1.12% (S Shares), subject to possible recoupment from the Fund in future years.

<sup>4</sup> 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 from 9/1/18 - 6/30/20.

## 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 to Denis Nayden 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

### ORANGE INVESTMENT ADVISORS, LLC

- Launched 40 Act Mutual Fund in July 2013 (SEMMX) while CIO at Semper Capital and managed through 2016
- Key members have worked together for more than 12 years
- Practice an investment strategy and process for capitalizing on opportunities in structured credit markets
- Launched a series of successful hedge funds starting in 2009

## 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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