

RANGER GLOBAL REAL ESTATE ADVISORS

Special Report – November 13, 2016

Post-Election Update on Global REIT Market Performance

After a strong start to the year through July month-end, a combination of exogenous macro factors have weighed on global REIT performance:

1) concerns over the prospect of higher rates as central banks shift policy: in the U.S., the possibility of a Fed Funds rate hike in December; in Europe, the ECB is considering tapering their QE rather than continuing it in full force until the stated end date (Q1 '17), and in Japan, the BoJ's recent signal that it is backing away from its earlier commitment to use monetary policy to nudge inflation higher;

2) uncertainty around the outcome of the U.S. election, including now the implications for government policy under a Trump administration;

3) risk around the upcoming Italian election and the prospects for an outcome that destabilizes the Eurozone and/or Italian banks;

4) the announcement by the UK's prime minister of the triggering of Article 50 which begins the Brexit negotiation process (two years).

While there remains considerable uncertainty on how President-elect Trump will govern and what he will try to enact and repeal – **the focus of his campaign on creating jobs and economic growth is good for real estate.**

REIT stocks have significantly underperformed over the last several months and especially this past week. Following the election, the 10-year Treasury moved up almost 30 bps to 2.15%, and the broad market rallied on the expectation of Trump's plan for fiscal stimulus to spur economic growth, reduced regulatory burdens, repatriation of cash abroad, infrastructure spending and to some extent the simple removal of uncertainty of the election itself. While the impact of higher long-term rates has negatively impacted REIT shares, we would note that a stronger labor market and stronger economic growth, as well as moderately higher inflation which would further stymie new supply, would be good for real estate. Moreover, REIT valuations remain attractive – both to bonds and to general equities.

Meanwhile, commercial real estate fundamentals continue to be strong, with enough global GDP growth to give landlords pricing power, and now *declining new supply growth.*

Additionally, the new S&P GICS sector (that took effect on September 1) will provide another tailwind for real estate stocks over the next several years as institutions and generalist funds close their large under-allocations.

Review of Fund Performance

We manage JARIX with a conservative strategy and the goal of preserving capital through low downside capture, as well as superior total return and high income. Our focus on owning REITs with strong

fundamentals, top-tier management teams and high quality assets positions JARIX to deliver on these objectives.

JARIX's outperformance ranks it in the **top 3% of its category for the last month and the top 4% for the trailing 5 years** and serves as a validation of our team's ability to deliver superior results in difficult markets as well as over the long term. See the table below for JARIX's performance against its Global Real Estate category peers:

Total Return % (11/11/2016)	1-Month	3-Month	YTD	1-Year	3-Year	5-Year
JARIX	-1.45	-8.58	0.99	1.71	4.87	9.50
Category (GR)	-3.47	-10.31	-1.43	-0.19	2.98	7.38
+/- Category (GR)	+2.02	+1.73	+2.42	+1.90	+1.89	+2.11
% Rank in Category	3	13	17	25	17	4

How has the portfolio performed against the benchmark global REIT index (FTSE EPRA/NAREIT or "RUGL") since the U.S. election? Here's the data:

11/8/16 - 11/11/16

JARIX	-0.67%
RUGL Index	-2.43%

Conclusion and a Look Ahead

For those who have been waiting for an attractive entry point, **with global REITs trading at an average 12% discount to their NAV, now would be a good time to consider JARIX.** The "Goldilocks" scenario for commercial real estate is still fully in place and we expect the global real estate recovery and REIT bull market to continue well into 2017 and likely beyond.

About the Author, ANDREW J. DUFFY, CFA:

Andrew J. Duffy, CFA is a Managing Partner and the Chief Investment Officer of Ranger Global Real Estate Advisors, LLC ("Ranger Global") and the Senior Portfolio Manager of the James Alpha Global Real Estate Investments Fund (JAREX / JARIX / JACRX), a mutual fund that invests in publicly-traded global real estate securities. Mr. Duffy has more than 24 years of global real estate securities investment experience.

Prior to co-founding Ranger Global, he was the President and Senior Portfolio Manager of Ascent Investment Advisors, LLC since its inception in February 2009. Before that, 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 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.

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. 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. The Saratoga Advantage Trust's Funds, including the James Alpha Global Real Estate Investments Fund, are distributed by Northern Lights Distributors, LLC. 11/11

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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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