ASTOR DYNAMIC ALLOCATION STRATEGY – 2019 PERFORMANCE REVIEW

As of 6/30/19

ASTOR INVESTMENT MANAGEMENT | FUNDAMENTALLY DRIVEN.

This document will discuss three (3) main topics:

1. Review of the Astor Dynamic Allocation (ADA) Strategy investment process.
2. 2019 YTD performance of ADA and strategy adjustments throughout the first half of 2019.
3. Current holdings and second half of 2019 outlook for ADA.

Astor's core belief *is that equity values tend to rise when the U.S. economy is healthy (or above trend/ getting healthier) and tend to fall when the U.S. economy is weak (or below trend/getting weaker). Therefore, Astor attempts to increase equity exposure during periods of economic expansion and seeks to reduce exposure of equities when the economy shows signs of weakness.*

Astor Dynamic Allocation Strategy

YTD 2019 Performance
As of 6/30/19

14.35%	13.23%
Gross	*Net*

REVIEW OF ASTOR DYNAMIC ALLOCATION (ADA) STRATEGY

NUTS AND BOLTS

ADA starts with a balanced portfolio and seeks to **increase/decrease** exposure to equity markets based on the overall health of the U.S. economy.

The Astor Economic Index® (AEI) is a proprietary tool used by the Astor Investment Committee to take the temperature of the U.S. economy and thereby adjust the level of risk in the ADA strategy.

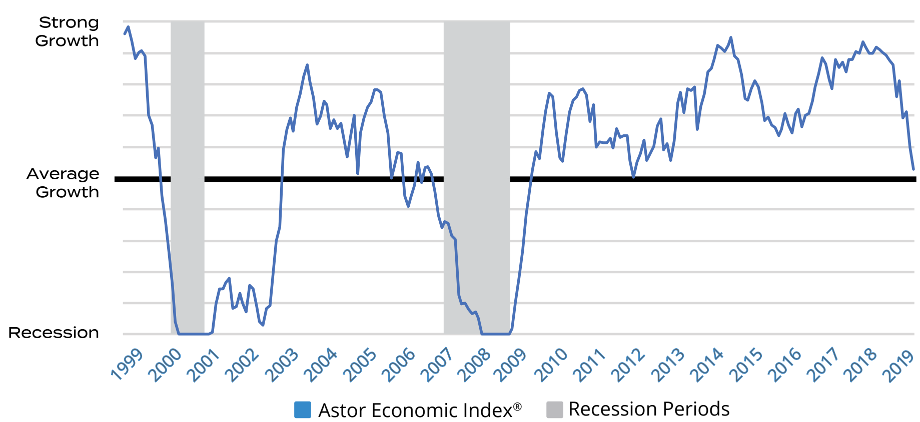
ADA has a theoretical maximum **beta target** (relative to S&P 500) of 1.0, but can also become defensive with a lower limit of -0.20 (ability to take inverse position under periods of extreme economic duress).

Strategy Objective: ADA seeks to find the appropriate balance of risk and non-risk assets for the given economic condition. Its core objective is to help reduce or avoid losses during major wealth destroying events in equity markets associated with weak economic environments while attempting to capture positive gains during equity bull markets.

The Astor Economic Index: Every month, roughly 100 economic data points are reported. Astor has identified key macro data points with trends that have a tendency to correlate with movement in risk assets, or equities. Astor collects this data and applies a 'score' to each data point that is based on rigorous research on how impactful that particular data point is in determining the health of the U.S. economy. For example, Astor believes employment data is more meaningful compared to oil and gas inventories. The end result is a monthly score that determines the current health of the U.S. economy. The chart (below) is Astor's monthly score on the health of the economy going back over 15 years.

The Astor Investment Committee (IC) uses the AEI to determine the overall health of U.S. economy. When the index is positively sloped, it is likely that the IC is adding equity-like risk to the strategy. When the index is negatively sloped, it is likely that the IC is reducing equity-like risk.

Astor Economic Index® 1999–Q2 2019



Source: Astor calculations.

The Astor Economic Index® should not be used as the sole determining factor for your investment decisions. There is no guarantee the index will produce the same results in the future. An investment cannot be made in the index.

CLICK HERE for more information on AEI

All information contained herein is for informational purposes only. Please refer to the important disclosure information at the end of this presentation for definitions, additional information, and risks.

ASTOR 2019 DYNAMIC ALLOCATION Q1/Q2REVIEW

NUTS AND BOLTS

Entering 2019, the economy was on solid footing and the strategy had higher than average levels of equity exposure, which was beneficial as the stock market rebounded throughout 2019.

The manufacturing and service side of the economy began to moderate throughout the first half of 2019 causing the Astor Economic Index® to decline. Therefore, the Dynamic Allocation Strategy took a measured approach to reducing equity exposure in response weakening economic fundamentals.

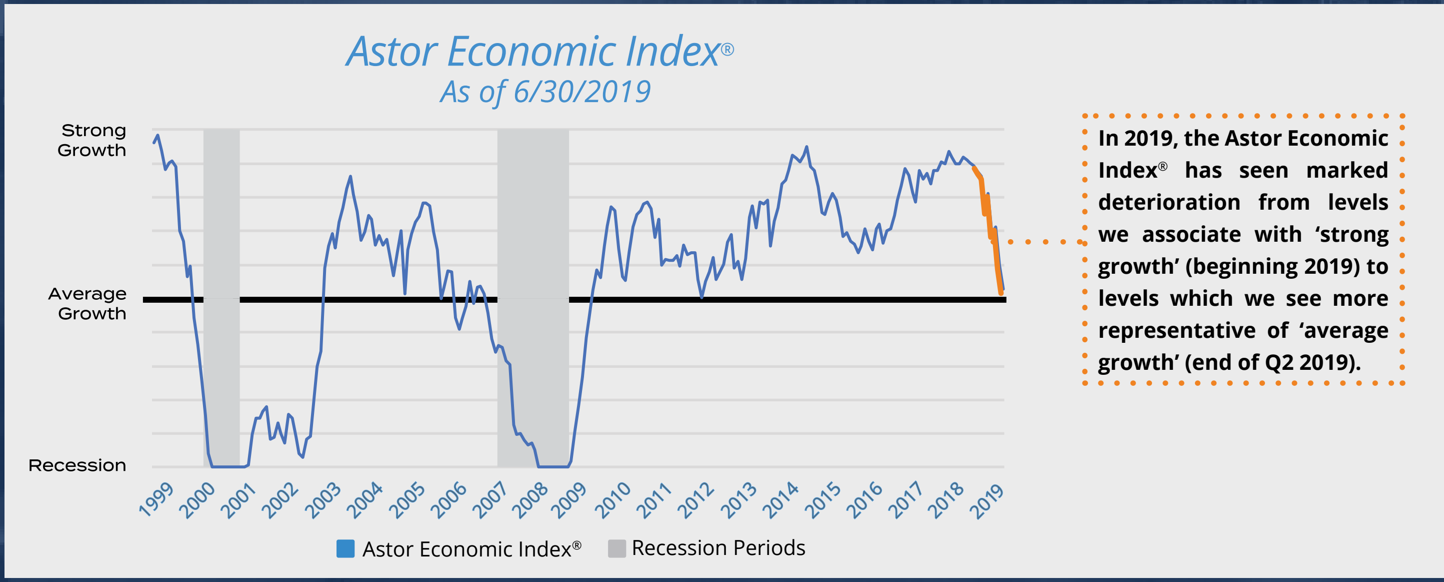
2019 Beta Target
relative to S&P 500

12/31/18	03/31/19	06/30/19
.86	.69	.57

Big Picture: Avoiding Whip-Saw Risk

Generally speaking, the U.S. economy remained very healthy with little, if any, signs of weakness throughout 2018... including Q4 2018. It is Astor's belief that the probability of a sustainable equity market correction and/or recession is lower when economic fundamentals are stable/improving. Because of this, Astor's Dynamic Allocation strategy maintained higher levels of equity exposure during the Q4 weakness and into 2019 (Astor did not see any signs of economic weakness in Q4 2018). This allowed the Dynamic Allocation Strategy to capture positive returns in Q1/Q2 of 2019, as equity markets posted a v-shape recovery.

For a tactical manager, avoiding being whip-sawed by price movement (selling into weakness and missing sharp rebounds) can be just as important as avoiding major wealth destroying events.



Interestingly, as equity markets rebounded in Q1/Q2 2019, economic datapoints that Astor identifies as 'significant' started to show signs of moderation/weakness (more on that below). This led to a declining value of the Astor Economic Index® and, by way of process, a measured reduction of equity exposure in ADA.

2019 Q1/Q2 ECONOMIC REVIEW

Labor Market/Employment

The employment picture remained very healthy in the first half of 2019. The unemployment rate has remained around 3.8% for over a year. As of 6/30/19, there were 7M open jobs in the U.S. reinforcing a very tight labor market. Nonetheless, wage inflation is only being realized at the lowest end of the labor market, which is uncharacteristic at these levels of unemployment and complicates the Fed's job at forecasting future inflation, as well as limiting the impulse of consumer spending in the economy. Additionally, the temporary workforce increased in April and May of 2019, which indicates that companies are filling positions in a way that would allow them to be flexible as the economy started to slow down.

Manufacturing

Manufacturing in the United States has moderated significantly in 2019. In fact, through June, the ISM Manufacturing Index decreased every month except for March. The index started 2019 at 56.6, which is a strong level and indicates a very healthy level of manufacturing. As of 6/30/2019, ISM manufacturing is at 51.7, which is indicative of growth, although the decline is concerning. Recall that a level below 50 is indicative of contracting manufacturing in the U.S. Non-manufacturing, which makes up a larger portion of the U.S. economy, has weakened from a blockbuster 58 to 55.1.

International

Recent economic data out of Europe is an improvement from a fairly poor prior quarter, although the outlook remains somewhat bleak. GDP expanded by 0.4% q/q, but manufacturing PMIs continue to disappoint. The ECB, under the new tutelage of former IMF director Christine Lagarde, seems certain to act further via the deposit rate and more forward guidance, although the impact on the real economy at this point is likely to be minute.

Trade Wars/Tariffs

The trade dispute between the U.S. and China traipses on with no end in sight. Although no real progress has been made towards a resolution palatable by both parties, it is encouraging that the U.S. administration has put a further escalation on hold (for now). The direct impact of the tariffs to date is likely small, but certainly unwelcome in a cooling domestic economy.

Fed Policy

As a result, the Fed is in a bit of a bind. On balance, the U.S. economy is in a place consistent with average growth, despite the trend downwards noted above. In a less volatile external environment, the Fed would usually not be considering easing with an economy at full employment. However, the desire to extend the expansion through "insurance cuts", consistently low inflation, and the ongoing drag of trade wars, and a slowing international economy has made a stronger case for cutting.

Source: Bloomberg, MSCI (msci.com)

2019 Q1/Q2 PERFORMANCE REVIEW

The strategy was up 14.35% (gross of fees) and 13.23% (net of fees) in the first half of 2019. The single largest factor leading to the positive returns was the higher than average level of equity exposure (~86%) in the strategy. This level of equity was in the upper range of the strategy limits. This allowed the strategy to participate in the equity market rebound from a dismal Q4 2018.

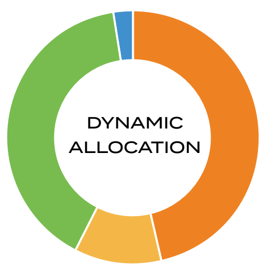
At Astor, we use an economic lens on investing. That is, we think the markets quickly adapt to current levels of economic activity and that average growth is usually associated with average equity market returns and should lead to average allocations to stocks. Hence our portfolio moves this year: ADA began the year with close to maximum levels of equity exposure and after reducing steadily we are about average. Should the economy regain a faster footing we will be happy to increase equity exposure accordingly. Conversely, should the economic situation as we measure it continue to deteriorate, we stand ready to further cut equity exposure.

CLICK HERE for CIO, John Eckstein's commentary on the economy and current equity levels in ADA

TARGET ALLOCATIONS

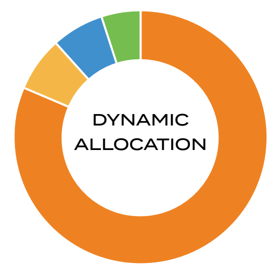
June 2019

CATEGORY	JUNE 2019
Equity	46.5%
Fixed Income	40.0%
International Equity	11.0%
Cash	2.5%
Commodity	0.0%



December 2018

CATEGORY	DECEMBER 2018
Equity	81.5%
International Equity	7.0%
Cash	6.5%
Fixed Income	5.0%
Commodity	0.0%



CLICK HERE for a current,detailed breakdown of ADA's holdings

The allocations presented are as of the date indicated and are subject to change. The percentage of total assets and asset allocations presented here are those of the Dynamic Allocation Composite for the period indicated. Any individual investor's portfolio may be allocated differently than presented here due to many factors, including but not limited to, timing of entry into the investment program, discretionary decisions by the clients and referring advisors, and custodial limitations or the manner in which trades are executed. Asset class percentages are rounded. As such, actual position weights may vary and/or the sum total may not equal 100%.

Historically, the Astor Dynamic Allocation (ADA) seeks to reduce or avoid losses during wealth destroying events by reducing equity exposure as economic fundamentals start to deteriorate. Astor is well positioned to take advantage of further gains in equity markets, but when the environment begins to show signs of change, investors need to be positioned to systematically adjust risk. Our investment process is built to identify and reduce risk to potentially protect investors from large losses.

Outlook: 2nd Half of 2019

Just as the risk of the flu is greater to those with compromised immune systems, surely the risk of falling into a recession is higher the more modest the pace of economic activity at the outset. At of the end of Q2, Astor believes the U.S. economy is at levels associated with 'average growth'. Simply put, the economy will either get healthier – essentially manufacturing will rebound, or, the economy will get weaker – further deterioration in manufacturing, slowdown in non-manufacturing and/or moderation in the employment data.

The Dynamic Allocation strategy has a focus on avoiding/reducing losses that occur during major, wealth-destroying drawdowns in equity markets. The current position of ADA allows the strategy to capture a portion of positive returns as equity markets appreciate. The U.S. economy could be nearing an inflection point (we could also see a rebound in economic activity). Investors hire Astor to have the appropriate amount of risk given the current level of economic activity.

Valuations are computed and performance is reported in U.S. dollars. Performance results assume the reinvestment of dividends. Certain client accounts may take dividends as distributions. Gross-of-fee returns are shown as supplemental information only and represent “pure gross” returns. “Pure gross” returns are calculated before the deduction of all fees, including trading, advisory, and administrative fees. Net of fee returns are calculated using a monthly model fee based upon end of period client account market values. Certain accounts pay fees outside of the composite account and thus, require a model fee for performance calculation. In order to maintain consistency, Astor calculates a model fee across all composite accounts. The model fee is representative of the actual fees charged to client accounts, which covers trading, advisory, and other costs. The model fee provides a more conservative estimate of performance. The 2018 annual model fee for the Dynamic Allocation Composite was 2.00%.

The performance shown is of the Astor Dynamic Allocation Composite. The Astor Dynamic Allocation Composite is a multi-asset, tactical allocation strategy that exclusively uses exchange-traded funds (ETFs). The Composite will invest in a mix of asset classes, including equity, fixed income, commodities and currencies depending on the economic and market environment. During economic contractions, the Composite seeks to reduce risk by utilizing defensive positioning such as inverse equity and fixed income. The strategy may employ the use of unleveraged inverse exchange traded funds, designed to track a single multiple of the daily inverse performance of a given index. The portfolio managers. may at their discretion, depart from the target allocation range when they feel that certain sections of the financial markets are over or under valued. For purposes of defining the composite of accounts, a minimum account size of $50,000 is imposed monthly.

The Composite seeks to achieve its objectives by investing in in Exchange-Traded Funds (“ETFs”). An ETF is a type of Investment Company which attempts to achieve a return similar to a set benchmark or index. ETFs are subject to substantially the same risks as those associated with the direct ownership of the securities comprising the index on which the ETF is based. The value of an ETF is dependent on the value of the underlying assets held. ETFs are subject to investment advisory and other expenses which results in a layering of fees for clients. As a result, your cost of investing in the fund will be higher than the cost of investing directly in ETFs and may be higher than other mutual funds with similar investment objectives. ETFs may trade for less than their net asset value. Although ETFs are exchanged traded, a lack of demand can prevent daily pricing and liquidity from being available. Investors should carefully consider the investment objectives, risks, charges, and expenses of the ETFs held within Astor’s strategies before investing. This information can be found in each ETFs prospectus. The Composite can purchase ETFs with exposure to equities, fixed income, com-modities, currencies, developed/emerging international markets, real estate, and specific sectors. The underlying investments of these ETFs will have different risks. Equity prices can fluctuate for a variety of reasons including market sentiment and economic conditions. The prices of small and mid-cap companies tend to be more volatile than those of larger, more established companies. It is important to note that bond prices move inversely with interest rates and fixed income ETFs can experience negative performance in a period of rising interest rates. High yield bonds are subject to higher risk of principal loss due to an increased chance of default. Commodity ETFs generally gain exposure through the use of futures which can have a substantial risk of loss due to leverage. Currencies can fluctuate with changing monetary policies, economic conditions, and other factors. International markets have risks due to currency valuations and political or economic events. Emerging markets typically have more risk than developed markets. Real estate investments can experience losses due to lower property prices, changes in interest rates, economic conditions, and other factors. Investments in specific sectors can experience greater levels of volatility than broad-based investments due to their more narrow focus. The Composite can also purchase unleveraged, inverse fixed income and equity ETFs. Inverse ETFs attempt to profit from the decline of an asset or asset class by seeking to track the opposite performance of the underlying bench-mark or index. Inverse products attempt to achieve their stated objectives on a daily basis and can face additional risks due to this fact. The effect of compounding over a long period can cause a large dispersion between the ETF and the underlying benchmark or index. Inverse ETFs may lose money even when the benchmark or index performs as desired. Inverse ETFs have potential for significant loss and may not be suitable for all investors.

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