

Dear Investors:

We are certainly witnessing unprecedented times in the global financial markets. My career in the financial markets spans 30+ years with time spent on the Federal Reserve (Chairmanship of Paul Volcker), managing trading desks for some of the financial industries largest banks, to starting Astor in 1994. The recent events surrounding the Corona Virus and the conflict impacting oil prices has created a challenging time for the markets and I can understand investors' concerns. The one thing I can assure you is that the world is not ending. In fact, once extraordinary events that cause volatility and a decline in stock prices reside, our financial system typically comes back stronger and more resilient having been able to identify and protect against vulnerabilities in the future.


At Astor, we seek to provide our investors with the appropriate amount of risk (stocks) given the health of the U.S. economy. To put it simply, we believe that stock prices tend to go up when everyone in the U.S. is working and companies are being efficient. Vice versa, stock prices have a higher probability of falling when the U.S. economy is 'less healthy'. One thing is for certain, Astor does NOT have knee-jerk reactions to daily fluctuation in stock prices.

Our philosophy is that unforeseen 'events' can impact stock prices differently depending on the overall health of the economy. Starting in early-to-mid 2019, our proprietary economic index was starting to suggest that economic growth was not as strong as it had been over the past few years. To that end, Astor started reducing our investors exposure to risky assets (stocks). This was not a 'timing' thing as we do not 'time' the market, it was simply a risk reward function. Our flagship product, Astor Dynamic Allocation, only had around ~55% exposure to risky assets (stocks) entering 2020 as well as exposure to diversifying assets, like Gold. By analyzing economic data, we try to get ahead of the curve before bad things happen. We won't be out of the way for every 'market moving event', but we do have a plan and we stick to it. The plan prevents us from having to make snap decisions on the fly... a bad idea to be sure!

Your financial advisor entrusted Astor with a portion of your money because we have an investment process that allows us to reduce exposure to stocks when conditions suggest, but participate in a meaningful way when the health of the economy supports a positive expected return for stocks.

Astor will continue to diligently monitor economic activity as the impact of the recent weeks' events unfold.

Thank you,



Rob Stein  
CEO/Founder, Astor Investment Management

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