THE CYCLE OF THE U.S. ECONOMY

**ASTOR ECONOMIC INDEX® (AEI)** is a temperature gauge for the U.S. economy. Astor collects, analyzes and prioritizes significant data points that are produced by universities, government agencies and third-party research firms on a monthly basis in order to get a comprehensive view of the U.S. economy. After collecting and analyzing the data, Astor publishes a ‘score’ on the economy.

**DETERMINING THE CURRENT HEALTH OF THE U.S. ECONOMY:**

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**Examples of several data points that Astor believes are important indicators:**

- **Non-Farm Payrolls**: Number of people getting a paycheck in the U.S.
- **Jobless Claims**: How many people filed for unemployment
- **ISM Manufacturing**: Measures manufacturing activity based on a monthly survey

If the AEI is rising, that means the economy is getting healthier.

If the AEI is falling, that means the economy is getting weaker.

**ASTOR’S DYNAMIC ALLOCATION STRATEGY (ADA)**

ADA is Astor’s flagship strategy that is designed to capture positive returns during economic expansions and limit/avoid losses during periods of economic contractions. The strategy seeks to accomplish this by investing based on the Astor Economic Index®

**Historical Equity Exposure**

- **Increases exposure to equities when the AEI is rising**
- **Decreases exposure to equities when the AEI is falling**

All information presented is calculated based on the asset allocations of each calendar quarter ending date only and do not account for the asset allocations during the quarter. Asset allocations are no indication of portfolio performance. See accompanying disclosures for asset class definitions. For the historical allocation presented, from the third quarter 2010 going forward, the composite allocation is shown. Prior to this period, holdings from representative accounts that were invested in the strategy were used to calculate the allocations shown. 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, custodial limitations, the manner in which trades are executed, and type of account or investment product used to invest in the program. The allocations presented are of the Dynamic Allocation Composite. See disclosures for more details.
ETFS typically incur fees that are separate from those fees charged by Astor. ETFs are those associated with the direct ownership of the securities comprising the index on which economic and market environment. During economic contractions, the Composite seeks classes, including equity, fixed income, commodities and currencies depending on the exclusively uses exchange-traded funds (ETFs). The Composite will invest in a mix of asset The Dynamic Allocation Composite is a multi-asset, tactical allocation strategy that The Astor Economic Index will produce the same results in the future. All conclusions are those of Astor and are retroactive data points and may be subject to hindsight bias. There is no guarantee the programs will produce profitable returns. You may lose money. These materials are not been tailored for any specific recipient. There is no assurance that Astor's investment investing based on such information. 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The 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. Astor's strategies seek to achieve their objectives by investing 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 typically incur fees that are separate from those fees charged by Astor. 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 Astor's strategies will be higher than the cost of investing directly in ETFS and may be higher than other investments with similar objectives. ETFS may trade for less than their net asset value. Although ETFS are exchange 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 ETF's prospectus. Inverse ETFs attempt to profit from the decline of an asset or asset class by seeking to track the opposite performance of the underlying benchmark or index. Inverse products attempt to achieve the 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.

**DEFINITIONS:**

**Cash:** An allocation of uninvested U.S. dollars or an investment in an exchange-traded fund that invests primarily in short-term debt instruments.

**Drawdown:** The largest decline from peak to trough of an investment before it reaches the peak again.

**Equity:** An investment in an exchange-traded fund that invests primarily in the shares of publicly-traded companies.

**Fixed Income:** An investment in an exchange-traded fund that invests primarily in debt instruments of a corporation or government entity where funds are borrowed from investors for a defined period of time at a fixed interest rate.

**Inverse:** An investment in an exchange-traded fund (ETF) that attempts to replicate the opposite price movement of a benchmark on a daily basis. An inverse S&P 500 ETF, for example, seeks a daily percentage movement opposite of the S&P 500 Index.

**Other:** An investment in an exchange-traded funds consisting of asset classes other than equity, fixed income, and cash such as commodities, currencies, and real estate.