ASTOR INVESTMENT MANAGEMENT | FUNDAMENTALLY DRIVEN.

ASTOR DYNAMIC ALLOCATION STRATEGY – 2018 PERFORMANCE REVIEW

H1 2018: First Half of 2018

This document will discuss three (3) main topics:

1. Review of the Astor Dynamic Allocation (ADA) Strategy investment process
2. 2018 performance of ADA and strategy adjustments throughout 2018
3. Current holdings and 2018 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

H1 2018 Performance

2.45%	1.42%
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).

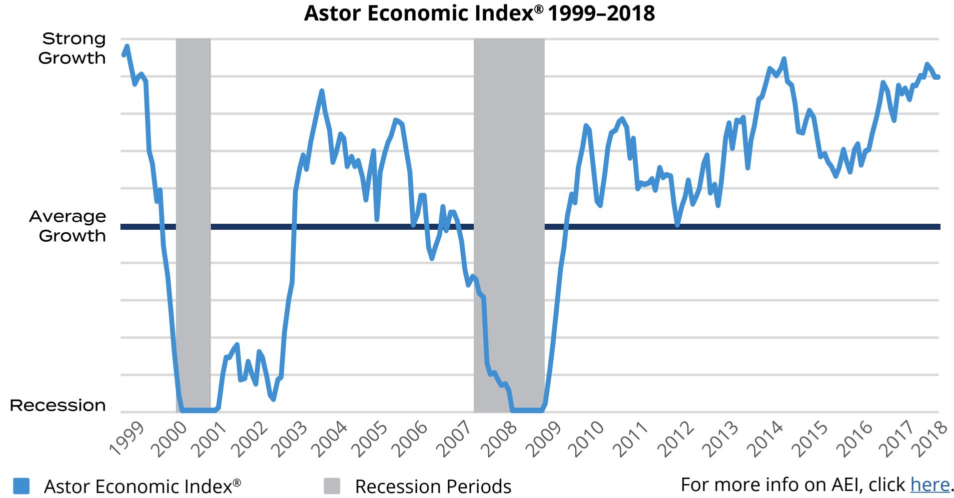
Strategy Objective: ADA seeks to find the appropriate balance of risk and non-risk assets for the given economic condition. Its core objective is to help reduce or avoid losses during major wealth destroying events in equity markets associated with weak economic environments while attempting to capture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

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.

Astor Economic Index® 1999–2018



For more info on AEI, click here.

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 2018 H1 PERFORMANCE REVIEW

NUTS AND BOLTS

2018 H1 Performance

2.45%	1.42%
Gross	Net

Strategy remained heavily invested in 'equity-type' risk as the economic picture remained healthy – led by strong employment numbers.

Exposure to Tech and Small Cap benefited overall strategy performance, while international was an overall detractor from H1 performance

Big Picture: Going into 2018, the Astor Economic Index® was near it's upper range due to a very steady, strong economy in 2016 and 2017. During H1 2018, the AEI ticked up slightly due to marginal increases in economic fundamentals. Due to the AEI being at upper ranges, the strategy is also at the upper ranges of 'equity-like' exposure. Therefore, there wasn't a notable increase in beta in H1 2018. Generally speaking, equity indices produced positive returns in H1 2018, so having 'risk-on' exposure was beneficial.

ADA Beta Target to S&P 500 at **beginning** of 2018
0.88
As of 12/31/17

ADA Beta Target to S&P 500 at the end of Q2 2018
0.9
As of 6/30/18

ADA **average** Beta Target to S&P 500 throughout 2018
0.9
1/31/17 –6/30/18

Note: *the 'Beta Target' is not the actual beta of the strategy. The AEI score and the rate of change in the AEI produces a beta target for ADA. Once the beta target is established, the Astor Investment Committee determines the best mix of assets that will bring the strategy close to the target. The actual beta of the strategy may be above or below the target, depending on how the underlying investments behave.*

Source: *Astor*

H1 2018 ECONOMIC REVIEW

The strategy continued to have exposure to equity-like risk as the U.S. Economy remained strong.

Significant Economic Data Points:

- US Economy ended the first half of 2018 as the pillar of Global growth. US employment picture continued to strengthen without exhibiting much wage pressure.
- GDP wobbled a bit in Q1 after averaging over 3% for three straight quarters. Q2 GDP is expected to more than make up for that, with estimates near 4.2%.
- ISM Manufacturing posted two readings over 60 in H1 (need to go back to 2004 to find the last time that happened)
- Certain areas of the labor market (transportation/trucking) exhibiting signs of wage stress. If the labor market continues in this fashion, wage pressure may start to uncork.
- International economies are the wild card as the JP Morgan Global PMI reading posted lowest reading of 2018 in June.

Source: Bloomberg, MSCI (www.msci.com)

ALLOCATION DECISIONS

Once the AEI establishes a beta target, the Astor IC analyzes various factors to determine what portfolio adjustments are needed in order to position the strategy to be in line with the new beta target. You can see the current holdings of the Astor Dynamic Allocation Strategy here.

As CEO/Founder of Astor Investment Management Rob Stein wrote in the ADA 2017 Performance Review (published January 2018):

> *Nothing has occurred thus far that would change my expectation for the direction of equity markets. The forecast for a positive expected return of stocks remains—that is, unless the economic data deteriorates along with equity prices. As it stands right now, economic fundamentals are above trend and supportive of rising equity prices.*

While the ride hasn't been smooth, equity prices largely increased in value in the first half of 2018. The markets, more or less, shrugged off significant geopolitical volatility and fears of unexpected inflation. Major equity indices produced positive returns in H1 2018: S&P 500 TR: 2.65%, NASDAQ: 9.37%. DOW JONES: -0.73%.

Also, in the ADA 2017 Performance review, we discussed overall detractors from 2017 overall strategy. We wrote:

> *Small/Mid Cap: A healthy domestic economy typically benefits small and mid cap companies. This concept, coupled with the possibility of tighter borders and potential trade wars that would hurt larger, multinational companies, led the Astor IC to increase exposure to small/mid cap U.S. equities [throughout 2017]. Although small/mid cap equities posted positive returns [in 2017], they trailed numerous other broad equity indexes. The Astor IC continues to believe the small and mid cap story and maintains over 15% exposure as of 12/31/17.*

Small and mid cap exposure at the end of June 2018 was 20.75%. The Russell 2000 Index- a common index used to measure performance of small and mid cap equities - was one of the top performing domestic equity indices in the first half of 2018: Russell 2000 H1 2018 7.66%.

Benefactors:

- **Small Cap:** Small Cap companies benefited from a healthy domestic economy in H1 2018. The Russell 2000 TR, a standard benchmark for small cap companies, returned 7.66% in H1 2018. The Strategy started the year with 7.03% of direct exposure to small cap and ended H1 2018 with 12.66% exposure.
- **Technology:** The momentum Tech experienced in 2017 carried into 2018. The NASDAQ posted 9.37% in H1 2018. Although the Astor IC slightly reduced exposure to Tech during Q2 2018, the sector continues to have exposure in the strategy and the continued run-up in Tech benefited the strategies overall performance.

Detractors:

- **International:** After posting positive returns in H2 2017, both economically and market wise, international markets faced retrenchment. Geo-political concerns (Brexit and Trade) had an impact. A strengthening dollar was a also a hurdle for these markets. The strategy began 2018 with 13.94% exposure to International/Emerging Markets. As of 6/30/18, exposure to international and emerging markets was 15.90%.

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%.

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CONCLUSION

Choose an investment based on its ability to produce desired results through the market environment we are entering. Far too often, investors look at the past performance of a strategy as a criteria in their decision making process. U.S. equities are in the midst of a very impressive bull market and Astor does not see 'cracks' in the economy that would suggest the end is near; however, Astor believes risk mitigation is extremely important.

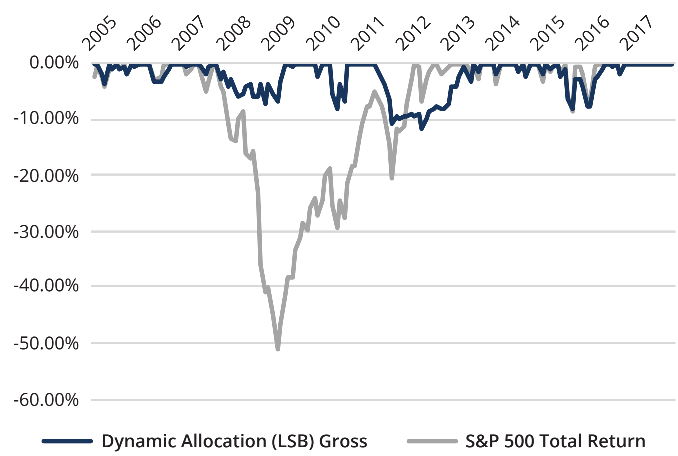
ADA has a **max drawdown** of 11.4% (Gross of Fees). ADA is flexible and has the ability to increase/decrease risk throughout an economic cycle. Currently, the strategy is positioned to benefit from rising equity prices (84.14% allocation to equities as of 12/31/2017), but it has the ability to de-risk when the economy starts to show signs of weakness.

General concerns entering 2018 include the valuations of equities, rising interest rates and extremely tight credit spreads. **The investor concern can be summarized succinctly; investors are having to take far more risk in today's market compared to recent decades in order to achieve the same targeted return expectation.**

Historically, the Astor Dynamic Allocation strategy has been able to reduce 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.

	S&P 500 TR	Astor Dynamic Allocation (Gross)
Maximum Drawdown	-50.95%	-11.45%
Months to Recover	36	16
Required Return to Break Even	103.87%	12.92%

Benefits of Minimizing Drawdown



Source: Bloomberg, Astor. The performance data shown is 2005 through 12/31/17 and represents past performance for the composite(s) defined in the disclosures at the end of the document. Current performance may be lower or higher. Gross-of-fee returns represent "pure gross" returns. Pure gross returns are calculated before the deduction of all fees. Please refer to the accompanying disclosures for additional information concerning these results.

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 model charged quarterly. 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 2017 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. 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 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. 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 fund’s prospectus. The Composite can purchase ETFs with exposure to equities, fixed income, commodities, 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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