U.S. equity markets had an auspicious start to May, but the ‘Sell in May and Go Away’ motto did not hold true as global investors and markets were optimistic as economies continued to re-open.

Markets were at odds with overall economic data levels, focusing on relative levels as opposed to absolute. To be sure, both ISM Services and Manufacturing indexes remained in the 40’s (contraction mode), but were above April readings.

The May non-farm payroll report surprised the most optimistic reports. U.S. payrolls added ~2.5m jobs in May, even as approximately 21.5m U.S. workers remained on unemployment assistance, as measured by the U.S. Department of Labor’s continuing claims report.

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The performance presented is of the composites described below and represents net-of-fees returns. Valuations are computed and performance is reported in U.S. dollars. Performance results assume reinvestment of dividends. Net-of-fees returns are calculated using a model fee charged monthly. 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. Additionally, Astor primarily purchases securities which contain embedded expenses. These costs result in a layering of fees. Please note performance results include accounts which pay trading costs separately and accounts which pay a bundled fee inclusive of advisory and trading costs. No performance-based fees are assessed. The annual model fees for the performance shown for the Dynamic Allocation Composite, Sector Allocation Composite, and Active Income Composite are 2.00%, 2.00%, and 2.5%, respectively.

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. For purposes of defining the composite of accounts, a minimum account size of $25,000 is imposed monthly. The benchmark is the HFRI Macro (Total) Index. The HFRI Macro (Total) Index is an unmanaged, equal-weighted composite of funds listed in the HFRI Database having either $50 million or greater in assets or a 12- month track record. HFRI is a registered trademark of Hedge Fund Research, Inc. Prior to 12/31/12, the benchmark was a 60%/40% blend of the S&P 500 Index and the Barclays’ Capital U.S. Aggregate Bond Index, respectively, rebalanced monthly.

The Sector Allocation Composite is a tactical strategy focused on the generation of returns through shifts in domestic equity sector allocations. The Composite exclusively uses exchange-traded funds (“ETFs”) and focuses on investing in domestic equities during economic expansions while reducing equity exposure for fixed income and cash in weak economic periods. Prior to May 2014, the Composite previously invested in various other asset classes, including commodities, international equity and currencies. The Active Income Composite is an actively managed strategy designed to produce income and to generate long-term capital appreciation by exclusively investing in exchange-traded funds (“ETFs”). The Composite invests primarily in fixed income securities and dividend yielding equities. The strategy may employ the use of unleveraged inverse ETFs, 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 $25,000 is imposed monthly. The benchmark is the S&P 500 Index. The S&P 500 Index is an unmanaged composite that measures the performance of 500 large capitalization stocks, which together represent approximately 80% of the total equities market in the United States. S&P 500 is a registered trademark of McGraw Hill Financial.

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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 an ETFs prospectus.

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