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...your source for emerging alternatives.

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Important Risk Information

James Alpha Global Real Estate Investments Fund

There is no assurance that the portfolio will achieve its investment objective. The Fund is subject to stock market risk, which is the risk that stock prices overall will decline over short or long periods, adversely affecting the value of an investment.

Risks of one's ownership are similar to those associated with direct ownership of real estate, such as changes in real estate values, interest rates, cash flow of underlying real estate assets, supply and demand, and the creditworthiness of the issuer. International investing poses special risks, including currency fluctuations and economic and political risks not found in investments that are solely domestic.

Options involve risk and are not suitable for all investors. Writing a covered call option allows the fund to receive a premium (income) for giving the right to a third party to purchase shares that the Fund owns in a given company at a set price for a certain period of time. There is no guarantee of success for any options strategy. Increased portfolio turnover may result in higher brokerage commissions, dealer mark-ups and other transaction costs and may result in taxable capital gains. Investments in lesser-known, small and medium capitalization companies may be more vulnerable to these and other risks than larger, more established organizations.

James Alpha Macro Fund

There is no assurance that the portfolio will achieve its investment objective. Exposure to the commodities markets may subject the Portfolio to greater volatility. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. Currency strategies will subject the Fund to currency trading risks that include market risk, credit risk and country risk. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

Securities issued by foreign companies and governments located in developing countries may be affected more negatively by inflation, devaluation of their currencies, higher transaction costs, adverse political developments and lack of timely information than those in developed countries. Event-linked securities may at any given time be illiquid, thus, the sale of these investments may be made at substantial discounts, delayed or impossible. The Fund may invest in high yield securities, also known as "junk bonds." High yield securities provide greater income and opportunity for gain, but entail greater risk of loss of principal. The Portfolio may invest in mortgage- and asset-backed securities that are subject to prepayment or call risk. Mutual funds involve risk, including possible loss of principal.

James Alpha Multi-Strategy Alternative Income Fund

There is no assurance that the portfolio will achieve its investment objective. Stock values fluctuate in response to activities specific to the company as well as general market, economic and political conditions. Certain "over-the-counter" derivative instruments, such as over-the-counter swaps and options, are subject to the risk that the other party to a contract will not fulfill its contractual obligations. Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. In addition to the risks associated with investing in securities of foreign companies, countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues.

ETNs are subject to credit risk and their value will be influenced by time to maturity, supply and demand, volatility and lack of liquidity in underlying commodities markets, changes in interest rates, changes in the issuer's credit rating, and economic, legal, or political events. The energy infrastructure MLPs in which the Portfolio invests are subject to risks specific to the industry they serve. To the extent the Portfolio invests a greater amount in any one sector or industry, such as real estate or energy, the Portfolio's performance will depend to a greater extent on the overall condition of that sector or industry. Leverage created from borrowing money or certain types of transactions or instruments, including derivatives, may impair the Portfolio's liquidity, cause it to liquidate positions at an unfavorable time, increase volatility or otherwise not achieve its intended objective. Prior to the Portfolio, the Manager had no experience directly managing an open-end mutual fund. The investment techniques and risk analysis used by the portfolio managers for each of the Portfolio's investment strategies may not produce the desired results. Investments in underlying funds that own small and mid-capitalization companies may be more vulnerable than larger, more established organizations. An MLP is a public limited partnership or limited liability company. MLP interests may be less liquid than conventional publicly traded securities. The risks of investing in an MLP are similar to those of investing in a partnership , including more flexible governance structures, which could result in less protection for investors than investments in a corporation. A change in current tax law, or a change in the underlying business mix of a given MLP, could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income.

The Portfolio does not invest in real estate directly, but because the Portfolio invests in REITs and publicly traded real estate and real estate-related securities, its portfolio will be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a portfolio that does not make such investments. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. The Portfolio's investment techniques, including use of covered call options, short-term trading strategies, and high portfolio turnover rate, may result in more of the Portfolio's income dividends and capital gains distributions being taxable to you at ordinary income tax rates than it would if it did not engage in such techniques. The Portfolio may have investments that appreciate or decrease significantly in value over short periods of time.

An MLP is a public limited partnership or limited liability company. MLP interests may be less liquid than conventional publicly traded securities. The risks of investing in an MLP are similar to those of investing in a partnership, including more flexible governance structures, which could result in less protection for investors than investments in a corporation. A change in current tax law, or a change in the underlying business mix of a given MLP ,could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The Portfolio does not invest in real estate directly, but because the Portfolio invests in REITs and publicly traded real estate and real estate-related securities, its portfolio will be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a portfolio that does not make such investments.

Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. The Portfolio's investment techniques, including use of covered call options, short-term trading strategies, and high portfolio turnover rate, may result in more of the Portfolio's income dividends and capital gains distributions being taxable to you at ordinary income tax rates than it would if it did not engage in such techniques. The Portfolio may have investments that appreciate or decrease significantly in value over short periods of time.

James Alpha MLP Fund

There is no assurance that the Portfolio will achieve its investment objective. The Portfolio share price will fluctuate with changes in the market value of its portfolio investments. The Fund invests primarily in energy infrastructure companies which may be adversely affected by changes in worldwide energy prices, exploration, production spending, government regulation, changes in exchange rates, depletion of natural resources and risks that arise from extreme weather conditions. An MLP is a public limited partnership or limited liability company. MLP interests may be less liquid than conventional publicly traded securities.

Mutual Funds involve risk including the possible loss of principal. The risks of investing in an MLP are similar to those of investing in a partnership, including more flexible governance structures, which could result in less protection for investors than investments in a corporation. A change in current tax law, or a change in the underlying business mix of a given MLP could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The MLPs in which the Portfolio invests are subject to risks specific to the industry they serve. To the extent the Portfolio invests a greater amount in any one sector or industry, such as energy, the Portfolio's performance will depend to a greater extent on the overall condition of that sector or industry and there is increased risk to the Portfolio if conditions adversely affect that sector or industry.

The Portfolio is classified for federal tax purposes as a taxable regular corporation or so-called Subchapter "C" corporation. As a "C" corporation, the Portfolio is subject to U.S. federal income tax on its taxable income at the graduated rates applicable to corporations (currently at a maximum rate of 35%) as well as state and local income taxes. The Portfolio will not benefit from the current favorable federal income tax rates on long-term

capital gains and Portfolio income, losses and expenses will not be passed through to the Portfolio's shareholders. An investment strategy whereby a fund is taxed as a regular corporation, or "C" corporation, rather than as a regulated investment company for U.S. federal income tax purposes involves complicated accounting, tax, net asset value ("NAV") and share valuation aspects that may cause the Portfolio to differ significantly from most other open-end registered investment companies.

The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. Investments in small and mid-capitalization companies may be more vulnerable than larger, more established organizations. Non-diversification risk, as the Funds are more vulnerable to events affecting a single issuer. Shares of ETFs have many of the same risks as direct investments in common stocks or bonds. ETNs are subject to the credit risk of the issuer, and the value of the exchange-traded note may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or assets remaining unchanged.

James Alpha Managed Risk Domestic Equity Fund

There is no assurance that the Portfolio will achieve its investment objective. The Portfolio share price will fluctuate with changes in the market value of its portfolio investments. Mutual Funds involve risk including possible loss of principal.

The Portfolio will borrow money for investment purposes. Leveraging investments, by purchasing securities with borrowed money, is a speculative technique that increases investment risk while increasing investment opportunity. Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. If the Portfolio sells a call option, there is risk that the Portfolio may be required to sell the underlying investment at a disadvantageous price. If the Portfolio purchases a put option or call option, there is risk that the price of the underlying investment will move in a direction that causes the option to expire worthless. The Portfolio's ability to achieve its investment objective may be affected by the risks attendant to any investment in equity securities.

Shares of ETFs have many of the same risks as direct investments in common stocks or bonds. In addition, their market value is expected to rise and fall as the value of the underlying index or bond rises and falls. It is possible that the hedging strategy could result in losses and/or expenses that are greater than if the Portfolio did not include the hedging strategy. The use of leverage by the Fund or an Underlying Fund, such as borrowing money to purchase securities or the use of derivatives, will indirectly cause the Fund to incur additional expenses and magnify the Fund's gains or losses. Because a large percentage of the Portfolio's assets may be invested in a limited number of issuers, a change in the value of one or a few issuers' securities will affect the value of the Portfolio more than would occur in a diversified fund.

James Alpha Managed Risk Emerging Markets Equity Fund

There is no assurance that the Portfolio will achieve its investment objective. The Portfolio share price will fluctuate with changes in the market value of its portfolio investments. Mutual Funds involve risk including possible loss of principal.

The Portfolio will borrow money for investment purposes. Leveraging investments, by purchasing securities with borrowed money, is a speculative technique that increases investment risk while increasing investment opportunity. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded. Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells a put option, there is risk that the Portfolio may be required to buy the underlying investment at

a disadvantageous price. If the Portfolio sells a call option, there is risk that the Portfolio may be required to sell the underlying investment at a disadvantageous price. If the Portfolio purchases a put option or call option, there is risk that the price of the underlying investment will move in a direction that causes the option to expire worthless. The securities of issuers located in emerging markets tend to be more volatile and less liquid than securities of issuers located in more mature economies, and emerging markets generally have less diverse and less mature economic structures and less stable political systems than those of developed countries. Shares of ETFs have many of the same risks as direct investments in common stocks or bonds. In addition, their market value is expected to rise and fall as the value of the underlying index or bond rises and falls. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. It is possible that the hedging strategy could result in losses and/or expenses that are greater than if the Portfolio did not include the hedging strategy. The use of leverage by the Fund or an Underlying Fund, such as borrowing money to purchase securities or the use of derivatives, will indirectly cause the Fund to incur additional expenses and magnify the Fund's gains or losses. Because a large percentage of the Portfolio's assets may be invested in a limited number of issuers, a change in the value of one or a few issuers' securities will affect the value of the Portfolio more than would occur in a diversified fund.

James Alpha Hedged High Income Fund

There is no assurance that the portfolio will achieve its investment objective. The Fund is subject to stock market risk, which is the risk that stock prices overall will decline over short or long periods, adversely affecting the value of an investment.

Mutual funds involve risk including the possible loss of principal. The Portfolio may engage in frequent trading of portfolio securities resulting in higher transaction costs, a lower return and increased tax liability. There are a number of risks associated with an investment in bank loans including credit risk, interest rate risk, liquidity risk and prepayment risk. Investments in convertible securities subject the Portfolio to the risks associated with both fixed-income securities and common stocks. Certain derivative and "over-the-counter" instruments in which the Portfolio may invest, such as over-the-counter swaps and forwards, are subject to the risk that the other party to a contract will not fulfill its contractual obligations. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. Adverse changes in currency exchange rates may erode or reverse any potential gains from the Fund's investments. The liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery. OTC swap transactions are two-party transactions and are therefore often less liquid than other types of investments, and the Portfolio may be unable to sell or terminate its swap positions at a desired time or price. If the Portfolio sells (writes) a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments will be affected by changes in the foreign country's exchange rates; political and social instability; changes in economic or taxation policies; difficulties when enforcing obligations; decreased liquidity; and increased volatility. It is possible that the hedging strategy could result in losses and/or expenses that are greater than if the Portfolio did not include the hedging strategy. High yield bonds (junk bonds) involve greater risk of default or price changes due to changes in the credit quality of the issuer. The Portfolio may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities. Mortgage- and asset-backed securities are subject to prepayment rates on underlying loans. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss.

James Alpha Family Office Fund

There is no assurance that the portfolio will achieve its investment objective.

Exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the Portfolio to greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may fluctuate widely based on a variety of factors. There is a risk that issuers and counterparties will not make payments on securities and other investments held by the Fund, resulting in losses to the Fund. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded. Derivative instruments involve risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments.

Countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues. The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. ETF's are subject to specific risks, depending on the nature of the underlying strategy of the fund. These risks could include liquidity risk, sector risk, as well as risks associated with fixed income securities, real estate investments, and commodities, to name a few. Investments in foreign securities could subject the Fund to greater risks including, currency fluctuation, economic conditions, and different governmental and accounting standards. The Portfolio may invest in instruments that provide exposure to alternative investment strategies, including hedge fund strategies.

The Fund may invest in high yield securities, also known as "junk bonds." High yield securities provide greater income and opportunity for gain, but entail greater risk of loss of principal. In general, the price of a fixed income security falls when interest rates rise. The use of leverage by the Fund or an Underlying Fund, such as borrowing money to purchase securities or the use of derivatives, will indirectly cause the Fund to incur additional expenses and magnify the Fund's gains or losses. The investment techniques and risk analysis used by the Portfolio's portfolio managers may not produce the desired results. Investments in lesser-known, small and medium capitalization companies may be more vulnerable than larger, more established organizations.

The Portfolio may invest in mortgage-backed securities which have different risk characteristics than traditional debt securities. The risks the Portfolio may face when investing in instruments that have exposure to private equity-related investments include the risk that the private equity companies do not survive. The Portfolio does not invest in real estate directly, but because the Portfolio may invest in REITs and publicly traded real estate and real estate-related securities, its portfolio will be impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a portfolio that does not make such investments. The Portfolio intends to treat the income it derives from commodity-linked notes as qualifying income based a number of private letter rulings provided to third-parties not associated with the Portfolio. However, the Portfolio has not received such a private letter ruling, and the Portfolio is not able to rely on private letter rulings issued to other taxpayers. If the IRS were to change its position with respect to the conclusions reached in these private letter rulings the income and gains from the Portfolio's investment in the commodity-linked notes might be nonqualifying income.

James Alpha Total Hedge Fund

There is no assurance that the portfolio will achieve its investment objective.

The Portfolio may engage in frequent trading of portfolio securities resulting in higher transaction costs, a lower return and increased tax liability. Exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the Portfolio and the Subsidiary to greater volatility than investments in traditional securities, such as stocks and bonds. Certain derivative and "over-the-counter" ("OTC") instruments in which the Portfolio may invest, such as OTC swaps and forwards, are subject to the risk that the other party

to a contract will not fulfill its contractual obligations. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells (writes) a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. If the Portfolio sells (writes) a call option, there is risk that the Portfolio may be required to sell the underlying investment at a disadvantageous price. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. Certain swap transactions are structured as two-party contracts and are therefore often less liquid than other types of investments, and the Portfolio may be unable to sell or terminate its swap positions at a desired time or price. Emerging market investing involves risks in addition to those risks involved in foreign investing. ETNs are subject to the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or assets remaining unchanged. ETF value is expected to rise and fall as the value of the underlying index or other assets rises and falls. The type, frequency and severity of events that trigger an increase or decline in the value of or income from event-linked securities ("trigger events") are difficult to predict.

The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies. The hedging strategies of the private funds whose returns are tracked by the Manager may not be successful in reducing market risk and, in turn, the Portfolio may not provide protection from losses during market downturns. High yield bonds (junk bonds) involve a greater risk of default or price changes due to changes in the credit quality of the issuer. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. An investment in the Portfolio's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. The Portfolio may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities. Investing in medium and small capitalization companies may involve more risk than is usually associated with investing in larger, more established companies.

James Alpha Relative Value Fund

There is no assurance that the portfolio will achieve its investment objective.

The Portfolio may engage in frequent trading of portfolio securities resulting in higher transaction costs, a lower return and increased tax liability. Exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the Portfolio and the Subsidiary to greater volatility than investments in traditional securities, such as stocks and bonds. Investments in convertible securities subject the Portfolio to the risks associated with fixed-income securities. Certain derivative and "over-the-counter" ("OTC") instruments in which the Portfolio may invest, such as OTC swaps and forwards, are subject to the risk that the other party to a contract will not fulfill its contractual obligations. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells (writes) a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. The liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery. Certain swap transactions are structured as two-party contracts and are therefore often less liquid than other types of investments, and the Portfolio may be unable to sell or terminate its swap positions at a desired time or price.

If the Portfolio sells (writes) a call option, there is risk that the Portfolio may be required to sell the underlying investment at a disadvantageous price. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. Emerging market investing involves risks in addition to those risks involved in foreign investing. ETNs are subject to the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or assets remaining unchanged. ETF value is expected to rise and fall as the value of the underlying index or other assets rises and falls. The type, frequency and severity of events that trigger an increase or decline in the value of or income from event-linked securities ("trigger events") are difficult to predict.

The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies. There is risk that the U.S. Government will not provide financial support to such U.S. government agencies, instrumentalities or sponsored enterprises if it is not obligated to do so by law. The hedging strategies of the private funds whose returns are tracked by the Manager may not be successful in reducing market risk and, in turn, the Portfolio may not provide protection from losses during market downturns. High yield bonds (junk bonds) involve a greater risk of default or price changes due to changes in the credit quality of the issuer. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. An investment in the Portfolio's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. The Portfolio may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities. Investing in medium and small capitalization companies may involve more risk than is usually associated with investing in larger, more established companies.

The risks of investing in an MLP are similar to those of investing in a partnership, including more flexible governance structures, which could result in less protection for investors than investments in a corporation. Mortgage-backed and asset-backed securities are also subject to extension risk, which is the risk that the issuer of such a security pays back the principal of an obligation later than expected, which may occur when interest rates rise. By investing in the Subsidiary, the Portfolio is indirectly exposed to the risks associated with the Subsidiary's investments. Underlying Pools are subject to investment advisory and other expenses, which will be indirectly paid by the Portfolio as an investor in Underlying Pools. As a result, the cost of investing in the Portfolio may be higher than the cost of investing directly in an Underlying Pool. Value investing strategies involve obtaining exposure to individual investments or market sectors that are out of favor and/or undervalued in comparison to their peers or their prospects for growth. Because different types of investments go out of favor with investors depending on market and economic conditions, the Portfolio's return may be adversely affected during market downturns and when value investment strategies are out of favor.

James Alpha EHS Fund

There is no assurance that the portfolio will achieve its investment objective.

The Portfolio may engage in frequent trading of portfolio securities resulting in higher transaction costs, a lower return and increased tax liability. Exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the Portfolio and the Subsidiary to greater volatility than investments in traditional securities, such as stocks and bonds. Investments in convertible securities subject the Portfolio to the risks associated with fixed-income securities. Certain derivative and "over-the-counter" ("OTC") instruments in which the Portfolio may invest, such as OTC swaps and forwards, are subject to the risk that the other party to a contract will not fulfill its contractual obligations. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells (writes) a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. The liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery. Certain swap transactions are structured as two-party contracts and are therefore often less liquid than other types of investments, and the Portfolio may be unable to sell or terminate its swap positions at a desired time or price. If the Portfolio sells (writes) a call option, there is risk that the Portfolio may be required to sell the underlying investment at a disadvantageous price. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. Emerging market investing involves risks in addition to those risks involved in foreign investing. ETNs are subject to the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or assets remaining unchanged. ETF value is expected to rise and fall as the value of the underlying index or other assets rises and falls. The type, frequency and severity of events that trigger an increase or decline in the value of or income from event-linked securities ("trigger events") are difficult to predict.

The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies. The hedging strategies of the private funds whose returns are tracked by the Manager may not be successful in reducing market risk and, in turn, the Portfolio may not provide protection from losses during market downturns. High yield bonds (junk bonds) involve a greater risk of default or price changes due to changes in the credit quality of the issuer. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. An investment in the Portfolio's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. The Portfolio may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities. Investing in medium and small capitalization companies may involve more risk than is usually associated with investing in larger, more established companies.

Growth investing involves buying stocks that have relatively high price-to earnings ratios. Growth stocks may be more volatile than other stocks because they are generally more sensitive to investor perceptions and market moves. During periods of growth stock underperformance, the Portfolio's performance may suffer. The Portfolio will use quantitative mathematical models that rely on patterns inferred from historical prices, performance returns and other financial data in evaluating prospective investments. However, most quantitative models cannot fully match the complexity of the financial markets and therefore sudden unanticipated changes in underlying market conditions can significantly impact the performance of the Portfolio. Value investing strategies involve obtaining exposure to individual investments or market sectors that are out of favor and/or undervalued in comparison to their peers or their prospects for growth. Because different types of investments go out of favor with investors depending on market and economic conditions, the Portfolio's return may be adversely affected during market downturns and when value investment strategies are out of favor.

James Alpha Event Driven Fund

There is no assurance that the portfolio will achieve its investment objective.

The Portfolio may engage in frequent trading of portfolio securities resulting in higher transaction costs, a lower return and increased tax liability. Exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the Portfolio and the Subsidiary to greater volatility than investments in traditional securities, such as stocks and bonds. Investments in convertible securities subject the Portfolio to the risks associated with fixed-income securities. Certain derivative and "over-the-counter" ("OTC") instruments in which the Portfolio may invest, such as OTC swaps and forwards, are subject to the risk that the other party

to a contract will not fulfill its contractual obligations. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. If the Portfolio sells (writes) a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. The liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery. Certain swap transactions are structured as two-party contracts and are therefore often less liquid than other types of investments, and the Portfolio may be unable to sell or terminate its swap positions at a desired time or price. If the Portfolio sells (writes) a call option, there is risk that the Portfolio may be required to sell the underlying investment at a disadvantageous price. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. Emerging market investing involves risks in addition to those risks involved in foreign investing. ETNs are subject to the credit risk of the issuer, and the value of the ETN may drop due to a downgrade in the issuer's credit rating, despite the underlying market benchmark or assets remaining unchanged. ETF value is expected to rise and fall as the value of the underlying index or other assets rises and falls. The type, frequency and severity of events that trigger an increase or decline in the value of or income from event-linked securities ("trigger events") are difficult to predict.

The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. Foreign companies may be subject to less regulation resulting in less publicly available information about the companies. The hedging strategies of the private funds whose returns are tracked by the Manager may not be successful in reducing market risk and, in turn, the Portfolio may not provide protection from losses during market downturns. High yield bonds (junk bonds) involve a greater risk of default or price changes due to changes in the credit quality of the issuer. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. An investment in the Portfolio's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. The Portfolio may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities. Investing in medium and small capitalization companies may involve more risk than is usually associated with investing in larger, more established companies.

Growth investing involves buying stocks that have relatively high price-to earnings ratios. Growth stocks may be more volatile than other stocks because they are generally more sensitive to investor perceptions and market moves. During periods of growth stock underperformance, the Portfolio's performance may suffer. The Portfolio will use quantitative mathematical models that rely on patterns inferred from historical prices, performance returns and other financial data in evaluating prospective investments. However, most quantitative models cannot fully match the complexity of the financial markets and therefore sudden unanticipated changes in underlying market conditions can significantly impact the performance of the Portfolio. Value investing strategies involve obtaining exposure to individual investments or market sectors that are out of favor and/or undervalued in comparison to their peers or their prospects for growth. Because different types of investments go out of favor with investors depending on market and economic conditions, the Portfolio's return may be adversely affected during market downturns and when value investment strategies are out of favor.

James Alpha Momentum Fund

There is no assurance that the portfolio will achieve its investment objective.

In rising markets, holding cash or cash equivalents will negatively affect the Portfolio's performance relative to its benchmark. Shares of ETFs have many of the same risks as direct investments in common stocks or bonds. In addition, their market value is expected to rise and fall as the value of the underlying index or other assets

rise and fall. An investment in the Portfolio's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. An investment in the Portfolio's common shares represents an indirect investment in the securities owned by the Portfolio, which are generally traded on a securities exchange or in over-the-counter ("OTC") markets. The value of these securities, like other market investments, may move up or down, sometimes rapidly and unpredictably. To the extent the Portfolio invests a greater amount in any one sector or industry, the Portfolio's performance will depend to a greater extent on the overall condition of that sector or industry and there is increased risk to the Portfolio if conditions adversely affect that sector or industry. The investment techniques and risk analyses used by the portfolio managers for the Portfolio's investment strategies may not produce the desired results. The Portfolio is non-diversified, meaning it can invest a greater portion of its assets in the obligations or securities of a small number of issuers or any single issuer than a diversified fund can.

The frequency of the Portfolio's transactions will vary from year to year. The Portfolio will invest in other investment companies, such as ETFs and money market funds, and the Portfolio's shareholders will therefore incur certain duplicative fees and expenses, including investment advisory fees. Exposure to the commodities markets and/or a particular sector of the commodities markets, may subject the Portfolio to greater volatility than investments in traditional securities, such as stocks and bonds. The commodities markets may fluctuate widely based on a variety of factors, including changes in overall market movements, domestic and foreign political and economic events and policies, war, acts of terrorism, changes in domestic or foreign interest rates and/or investor expectations concerning interest rates, domestic and foreign inflation rates and investment and trading activities of mutual funds, hedge funds and commodities funds. Investments in convertible securities subject the Portfolio to the risks associated with both fixed-income securities and common stocks. The dollar value of foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded. The issuers of fixed income instruments may experience financial difficulty and be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating.

Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. The liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery. If the Portfolio sells (writes) a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. Emerging market investing involves risks in addition to those risks involved in foreign investing. The Portfolio is subject to risks associated with investing in equity securities, including market risk, issuer risk, price volatility risks and market trends risk. fund's foreign investments will be affected by changes in the foreign country's exchange rates; political and social instability; changes in economic or taxation policies; difficulties when enforcing obligations; decreased liquidity; and increased volatility. Growth investing involves buying stocks that have relatively high price-to earnings ratios. Growth stocks may be more volatile than other stocks because they are generally more sensitive to investor perceptions and market moves. High yield, below investment grade and unrated high risk debt securities (which also may be known as "junk bonds") may present additional risks because these securities may be less liquid, and therefore more difficult to value accurately and sell at an advantageous price or time, present more credit risk than investment grade bonds and subject to greater risk of default.

Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. Because the funds invest in REITs, their portfolio will be significantly impacted by the performance of the real estate market and may experience more volatility and be exposed to greater risk than a portfolio that does not make such investments. Investing in small- and medium-capitalization companies may involve more risk than is usually associated with investing in larger, more established companies. The governmental authority that controls the repayment of sovereign debt may be unwilling or unable to repay the principal and/or interest when due in accordance with the terms of such securities due to the extent of its foreign reserves; the availability of sufficient foreign exchange on the date a

payment is due; the relative size of the debt service burden to the economy as a whole; or the government debtor's policy towards the International Monetary Fund and the political constraints to which a government debtor may be subject. Value investing strategies involve obtaining exposure to individual investments or market sectors that are out of favor and/or undervalued in comparison to their peers or their prospects for growth.

James Alpha Structured Credit Value Fund

There is no assurance that the portfolio will achieve its investment objective.

A CLO is a trust typically collateralized by a pool of loans. A CBO is a trust which is often backed by a diversified pool of high risk, below investment grade fixed income securities. A CDO is a trust backed by other types of assets representing obligations of various parties. For CLOs, CBOs and other CDOs, the cash flows from the trust are split into two or more portions, called tranches. Each tranche has an inverse risk-return relationship and varies in risk and yield. The Portfolio may engage in frequent trading of portfolio securities resulting in higher transaction costs, a lower return and increased tax liability. Basis risk refers to, among other things, the lack of the desired or expected correlation between a hedging instrument or strategy and the underlying assets being hedged. Certain derivative and "over-the-counter" ("OTC") instruments in which the Portfolio may invest, such as OTC swaps and options, are subject to the risk that the other party to a contract will not fulfill its contractual obligations. The issuers of fixed income instruments in which the Portfolio invests may experience financial difficulty and may be unable to meet interest and/or principal payments, thereby causing its instruments to decrease in value and lowering the issuer's credit rating. Credit spread risk is the risk that credit spreads (i.e., the difference in yield between securities that is due to differences in their credit quality) may increase when the market believes that bonds generally have a greater risk of default. The dollar value of the Portfolio's foreign investments will be affected by changes in the exchange rates between the dollar and the currencies in which those investments are traded.

The derivatives that the Portfolio primarily expects to use include options, futures and swaps. Derivatives may be volatile and some derivatives have the potential for loss that is greater than the Portfolio's initial investment. The liquidity of the futures market depends on participants entering into offsetting transactions rather than making or taking delivery. Inverse variable or floating rate obligations, sometimes referred to as inverse floaters, are a type of over-the-counter derivative debt instrument with a variable or floating coupon rate that moves in the opposite direction of an underlying reference, typically short-term interest rates. OTC swap transactions are two-party transactions and are therefore often less liquid than other types of investments, and the Portfolio may be unable to sell or terminate its swap positions at a desired time or price. Certain swaps, such as total return swaps where two parties agree to "swap" payments on defined underlying assets or interest rates, can have the potential for unlimited losses. If the Portfolio sells a put option, there is risk that the Portfolio may be required to buy the underlying investment at a disadvantageous price. U.S. government securities are subject to investment and market risk, interest rate risk and credit risk. The hedging strategy employed by the Sub-Adviser is designed to reduce, but not eliminate, losses resulting from volatility and market declines.

High yield, below investment grade and unrated high risk debt securities (which also may be known as "junk bonds") may present additional risks because these securities may be less liquid, and therefore more difficult to value accurately and sell at an advantageous price or time, present more credit risk than investment grade bonds and may be subject to greater risk of default. Interest rate risk refers to the risk that bond prices generally fall as interest rates rise; conversely, bond prices generally rise as interest rates fall. An investment in the Portfolio's common shares is subject to investment risk, including the possible loss of the entire principal amount invested. The Portfolio concentrates its investments in mortgage- and real estate-related securities, as described in the principal investment strategies section of this prospectus, and, as a result, the Portfolio's

performance will depend on the overall condition of that group of industries and the specific underlying securities to a much greater extent than a less concentrated fund. The Portfolio may hold illiquid securities that it is unable to sell at the preferred time or price and could lose its entire investment in such securities.

There is no guarantee that the investment techniques and risk analysis used by the portfolio managers will produce the desired results. MBS and ABS have different risk characteristics than traditional debt securities. Although certain principals of the Sub-Adviser have managed U.S. registered mutual funds, the Sub-Adviser has not previously managed a U.S. registered mutual fund and has only recently registered as an investment adviser with the SEC. The Portfolio may use quantitative mathematical models that rely on patterns inferred from historical prices and other financial data in evaluating prospective investments. MBS investments are subject to real estate risk, as the underlying loans securitizing the MBS are themselves collateralized by residential or commercial real estate. Regulatory authorities in the United States or other countries may restrict the ability of the Portfolio to fully implement its strategy, either generally, or with respect to certain securities, industries, or countries. Short sales may cause the Portfolio to repurchase a security at a higher price, thereby causing the Portfolio to incur a loss. Stripped mortgage-backed securities are a type of mortgage-backed security that receive differing proportions of the interest and principal payments from the underlying assets. Subprime loans refer to loans made to borrowers with weakened credit histories or with a lower capacity to make timely payments on their loans. The Portfolio may buy or sell TBA securities, particularly in the case of agency MBS, for which there is an extremely active, liquid market. Value investing strategies involve obtaining exposure to individual investments or market sectors that are out of favor and/or undervalued in comparison to their peers or their prospects for growth. The price or yield obtained in a when-issued transaction may be less favorable than the price or yield available in the market when the securities delivery takes place.