

SFPAX - Very Dangerous Rating



Saratoga Advantage Trust: Financial Services Portfolio

★☆☆☆☆	Predictive Rating	Very Dangerous
★★☆☆☆	Portfolio Management	Dangerous
★☆☆☆☆	Total Annual Costs	Very Dangerous

- Predictive Ratings enable smarter investing by assessing the key drivers of fund performance.
- Stock-picking (Portfolio Management) and fund expenses (Total Annual Costs) drive investment performance.

Investment Recommendation

- We strongly recommend investors avoid SFPAX.
- We expect the fund to continue underperforming the market.
- SFPAX's Portfolio Management rating does not justify its high Total Annual Costs.

Fund Rankings

- 0th percentile of the 4700+ equity funds we cover.
- 16 out of 18 Financials / Non-REIT funds.
- All 28 ETFs in the same category rank better.

Portfolio Management Rating Details

- SFPAX receives our Dangerous rating because it overweights Dangerous-or-worse-rated stocks.
- XLF, SFPAX's benchmark, receives our Dangerous rating.
- Our fund analytics are based on aggregating our models and ratings for each fund's holdings.
- Our [top-ranked](#) stock ratings leverage key data from the financial footnotes for unrivaled research quality.

Portfolio Management Rating Breakdown

Business Strength

★★☆☆☆	Quality of Earnings	Dangerous
★★★☆☆	Return on Invested Capital (ROIC)	7.79%

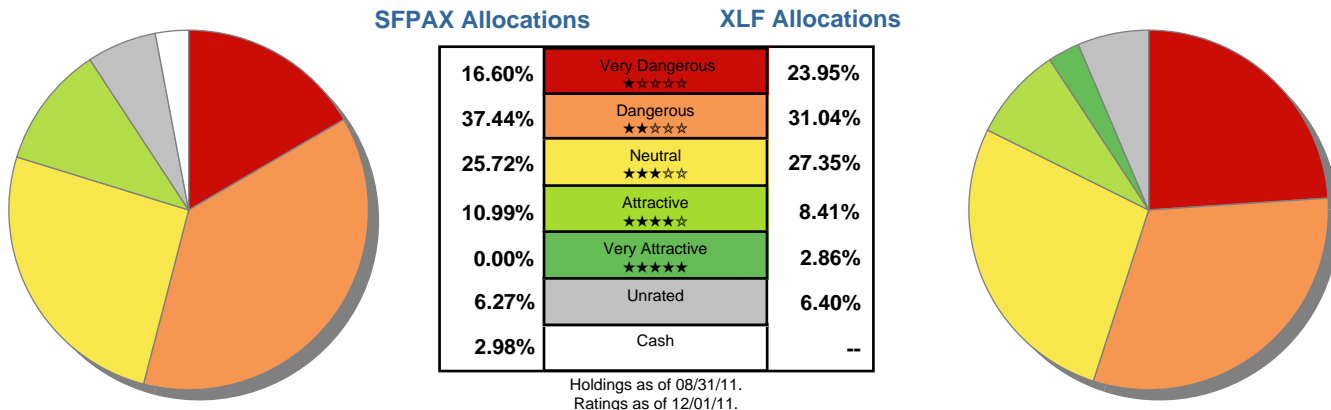
Valuation

★★★☆☆	Free Cash Flow Yield	-0.67%
★★★☆☆	Price to Economic Book Value	2.21
★☆☆☆☆	Market-Implied Duration of Growth	51 years

Fund Asset Allocation

★★★☆☆	Cash Allocation	2.98% cash
-------	-----------------	------------

Allocation Details: Fund vs Benchmark - Financial Select Sector SPDR (XLF)



Active Management Commentary

- SFPAX allocates 54.04% of its value to Dangerous-or-worse-rated stocks while XLF allocates 54.98%.
- SFPAX allocates 10.99% of its value to Attractive-or-better-rated stocks while XLF allocates 11.27%.
- Investors should expect funds with higher Total Annual Costs to allocate more value to Attractive and Very Attractive Stocks and less to Dangerous and Very Dangerous stocks than alternative funds with lower costs.
- Active portfolio management of SFPAX does not add value versus its ETF benchmark XLF.

Return - Annual

Year to Date	-18.12%
1 Year	-12.96%
3 Year	3.33%
5 Year	-14.06%
Inception	-2.26%

Top 5 Holdings

ACE Ltd
Franklin Rsc
Unum Group
Metlife Inc
BlackRock Inc

Key Mutual Fund Statistics

ACE	Net Assets(mm)	\$1.60	Category	Financials / Non-REIT
BEN	NAV	\$5.24	Mgmt Co	Saratoga
UNM	Benchmark	XLF	Manager	Team Managed
MET	# of Holdings	31	Tenure	
BLK	Initial Minimum	\$250.00	Inception	08/01/00

Total Annual Costs Rating and Ranking

Rating	Total Annual Costs	Fund Universe % Rank	Category Rank
★☆☆☆☆	6.25%	0.22%	18 of 18

This rating reflects all expenses, loads, fees, and transaction costs in a single value that is comparable across all funds.

Reported Costs vs Benchmark: as of 12/31/10

	SFPAX	Benchmark: XLF
Front-End Load	5.75%	--
Expense Ratio	3.40%	0.20%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--

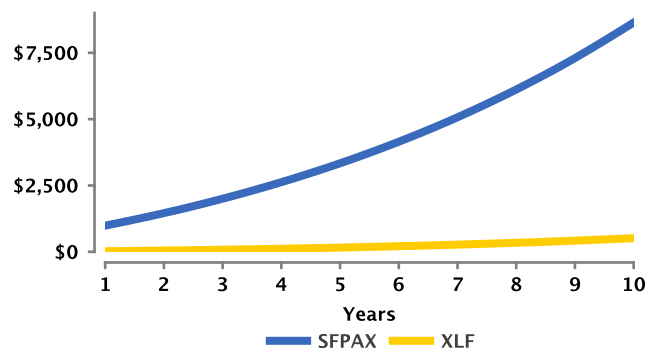
Total Annual Costs Breakdown

All Cost Types	Annualized Values	
	SFPAX	Benchmark: XLF
Front-End Load	2.27%	--
Expense Ratio	3.87%	0.22%
Back-End Load	0.00%	--
Redemption Fee	0.00%	--
Transaction Costs	0.11%	--
Total Annual Costs	6.25%	0.22%

- To justify its higher Total Annual Costs, SFPAX must outperform its ETF benchmark by 6.04% annually over 3 years or 4.44% annually over 10 years.
- This analysis assumes a 3-year holding period, the average for all funds.
- Transaction costs are estimated using the fund's annual portfolio turnover ratio of 56%.

Accumulated Total Costs vs Benchmark

Accumulated Total Costs represent the dollar value of costs investors incur during a 10-yr holding period. Assumes a \$10,000 investment and a 10% annual return for the fund and its benchmark.



- 3-year Accumulated Total Costs are \$2,001.87 for SFPAX and \$79.70 for XLF. 10-year Accumulated Total Costs are \$8,640.08 for SFPAX and \$514.10 for XLF.

Overview of Our Predictive Mutual Fund Rating System

New Constructs' [Predictive Fund Ratings](#) enable smarter investing by assessing the key drivers of future fund performance. We start by analyzing every fund holding based on New Constructs' stock ratings, which are regularly featured as among the [best by Barron's](#). Next, we measure and rank the all-in costs of investing in a fund.

Intuitively, there are two drivers of future fund performance.

- 1) New stock-picking ([Portfolio Management Rating](#)) and
- 2) Fund expenses ([Total Annual Costs Rating](#)) drive investment performance

The figure below details the criteria that drive our Predictive Rating system for funds. The two drivers of our predictive rating system are Portfolio Management and Total Annual Costs. The Portfolio Management Rating (details [here](#)) is the same as our Stock Rating (details [here](#)) except that we incorporate Asset Allocation (details [here](#)) in the Portfolio Management Rating. The Total Annual Costs Rating (details [here](#)) captures the all-in cost of being in a fund over a 3-year holding period, the average period for all mutual fund investors.

Predictive Rating	Portfolio Management Rating						Total Annual Costs Rating
	Business Strength		Valuation			Asset Allocation	
	Quality of Earnings	Return on Invested Capital	FCF Yield	Price to Econ Book Value	Mkt-Imp Duration of Growth	Cash %	
Very Dangerous ★☆☆☆☆	Misleading Trend	Bottom Quintile	< -5%	> 3.5 or -1 < 0	> 50	> 20%	> 4%
Dangerous ★★☆☆☆	False Positive	4th Quintile	-5% < -1%	2.4 < 3.5 or < -1	20 < 50	8% < 20%	2% < 4%
Neutral ★★★☆☆	Neutral EE	3rd Quintile	-1% < 3%	1.6 < 2.4	10 < 20	2.5% < 8%	1% < 2%
Attractive ★★★★☆	Positive EE	2nd Quintile	3% < 10%	1.1 < 1.6	3 < 10	1% < 2.5%	0.5% < 1%
Very Attractive ★★★★★	Rising EE	Top Quintile	> 10%	0 < 1.1	0 < 3	< 1%	< 0.5%

New Constructs® - Profile

Incorporated in July 2002, [New Constructs](#) is an independent publisher of investment research that provides clients with consulting, advisory and research services. We specialize in quality-of-earnings, forensic accounting and discounted cash flow valuation analyses for all U.S. public companies.

How New Constructs Creates Value for Clients

1. **Superior Recommendations** - Our [stock-picks](#) consistently outperform. See our track record in our [stock-picking accolades](#) and [Proof Is In Performance](#) reports.
2. **More Accurate Research** - Our [patented Research Platform](#) for [reversing accounting distortions](#) and [discounted cash flow analysis](#) leverages better data to deliver smarter research.
3. **Time Savings** - We check the fine print in thousands of corporate filings so you don't have to. As reported by [Barron's](#), our expertise in analyzing SEC filings delivers [Hidden Gems and Red Flags](#) that drive long-term stock-picking success.
4. **Transparency** - We are proud to share the results of our analysis of over 50,000 10-Ks. See the [Corporate Disclosure Transgressions](#) report we provided to the SEC. Our reports detail all data and assumptions. Company Models enable users to change them.
5. **Objectivity** - New Constructs is an independent research firm, not tied to Wall Street or investment banking services. See our [presentation to the Senate Banking Committee](#), the SEC and many others in DC.

Our Philosophy About Research

Accounting data is not designed for equity investors, but for debt investors. [Accounting data must be translated into economic earnings](#) to understand the profitability and valuation relevant to equity investors. Respected investors (e.g. Adam Smith, Warren Buffett and Ben Graham) have repeatedly emphasized that accounting results should not be used to value stocks. [Economic earnings](#) are what matter because they are:

1. Based on the complete set of financial information available.
2. Standard for all companies.
3. A more accurate representation of the true underlying cash flows of the business.

DISCLOSURES

New Constructs®, LLC (together with any subsidiaries and/or affiliates, 'New Constructs') is an independent organization with no management ties to the companies it covers. None of the members of New Constructs' management team or the management team of any New Constructs' affiliate holds a seat on the Board of Directors of any of the companies New Constructs covers. New Constructs does not perform any investment or merchant banking functions and does not operate a trading desk.

New Constructs' Stock Ownership Policy prevents any of its employees or managers from engaging in Insider Trading and restricts any trading whereby an employee may exploit inside information regarding our stock research. In addition, employees and managers of the company are bound by a code of ethics that restricts them from purchasing or selling a security that they know or should have known was under consideration for inclusion in a New Constructs report nor may they purchase or sell a security for the first 15 days after New Constructs issues a report on that security.

New Constructs is affiliated with Novo Capital Management, LLC, the general partner of a hedge fund. At any particular time, New Constructs' research recommendations may not coincide with the hedge fund's holdings. However, in no event will the hedge fund receive any research information or recommendations in advance of the information that New Constructs provides to its other clients.

DISCLAIMERS

The information and opinions presented in this report are provided to you for information purposes only and are not to be used or considered as an offer or solicitation of an offer to buy or sell securities or other financial instruments. New Constructs has not taken any steps to ensure that the securities referred to in this report are suitable for any particular investor and nothing in this report constitutes investment, legal, accounting or tax advice. This report includes general information that does not take into account your individual circumstance, financial situation or needs, nor does it represent a personal recommendation to you. The investments or services contained or referred to in this report may not be suitable for you and it is recommended that you consult an independent investment advisor if you are in doubt about any such investments or investment services.

Information and opinions presented in this report have been obtained or derived from sources believed by New Constructs to be reliable, but New Constructs makes no representation as to their accuracy, authority, usefulness, reliability, timeliness or completeness. New Constructs accepts no liability for loss arising from the use of the information presented in this report, and New Constructs makes no warranty as to results that may be obtained from the information presented in this report. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance.

Information and opinions contained in this report reflect a judgment at its original date of publication by New Constructs and are subject to change without notice. New Constructs may have issued, and may in the future issue, other reports that are inconsistent with, and reach different conclusions from, the information presented in this report. Those reports reflect the different assumptions, views and analytical methods of the analysts who prepared them and New Constructs is under no obligation to insure that such other reports are brought to the attention of any recipient of this report.

New Constructs' reports are intended for distribution to its professional and institutional investor customers. Recipients who are not professionals or institutional investor customers of New Constructs should seek the advice of their independent financial advisor prior to making any investment decision or for any necessary explanation of its contents.

This report is not directed to, or intended for distribution to or use by, any person or entity who is a citizen or resident of or located in any locality, state, country or jurisdiction where such distribution, publication, availability or use would be contrary to law or regulation or which would be subject New Constructs to any registration or licensing requirement within such jurisdiction.

This report may provide the addresses of websites. Except to the extent to which the report refers to New Constructs own website material, New Constructs has not reviewed the linked site and takes no responsibility for the content therein. Such address or hyperlink (including addresses or hyperlinks to New Constructs own website material) is provided solely for your convenience and the information and content of the linked site do not in any way form part of this report. Accessing such websites or following such hyperlink through this report shall be at your own risk.

All material in this report is the property of, and under copyright, of New Constructs. None of the contents, nor any copy of it, may be altered in any way, copied, or distributed or transmitted to any other party without the prior express written consent of New Constructs. All trademarks, service marks and logos used in this report are trademarks or service marks or registered trademarks or service marks of New Constructs.

Copyright New Constructs, LLC 2003 through the present date. All rights reserved.