

Astor Asset Management LLC

Form ADV Part 2A

Investment Adviser Brochure

May 27, 2011

This brochure provides information about the qualification and business practices of Astor Asset Management LLC ("Astor"). If you have any questions about the contents of this brochure, please contact us at (800) 899-8230, or by email at info@astorllc.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Additional information about Astor Asset Management LLC is available on the SEC's website at www.adviserinfo.sec.gov.

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Item 2: Summary of Material Changes

Material Changes since the Last Update

This section summarizes only material changes since the most recent version of our Brochure dated November 8, 2011. On July 28, 2010, the Securities and Exchange Commission ("SEC") adopted amendments to Part 2 of Form ADV. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update to the Brochure must now include a summary of all material changes since the last annual update.

This Brochure dated May 27, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Brochure is materially different in structure and contains certain new information that our previous brochure did not include. The only material updates to our Brochure are addressed in Items 10 and 17. Under Item 10, we have added a discussion about Astor's management of a proprietary account of its parent company. Astor began managing this account in January 2011. Under Item 17, we have updated the description of Astor's practices for voting proxies received for your account. Previously, we did not vote proxies for most client accounts, however, we have updated our policy and will now vote proxies received for all client accounts.

In the future, this Item will discuss only specific material changes that we make to our Brochure and will provide our clients with a summary of these changes.

In the past we have offered or delivered our disclosure brochure on at least an annual basis. Pursuant to new SEC Rules, we will deliver a summary of any material changes to our disclosure brochure within 120 days of our fiscal year-end which is December 31. We may provide other ongoing disclosure information about material changes as necessary.

Full Brochure Availability

The Brochure for Astor Asset Management LLC is available by contacting (800) 899-8230 or downloaded from our website (www.astorllc.com).

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Item 4: Advisory Business

Firm Description

Astor Asset Management LLC (“Astor” or “Firm”) specializes in offering separately managed programs using exchange-traded funds (ETFs). Astor’s programs are mainly distributed to investors through third party brokerage firms and financial advisors. The Firm has been providing investment advisory services to clients since 2000. Astor also serves as investment adviser to the Astor Long/Short ETF Fund (“Astor Fund”), a registered open-end investment company.

As of December 31, 2010, Astor managed approximately \$748MM in client assets on a discretionary basis. Astor does not manage any client accounts that are non-discretionary.

Principal Owners

Astor is an indirect, wholly-owned subsidiary of Knight Capital Group, Inc. (“Knight”). Knight is a diversified financial services firm and a public company whose stock trades on the New York Stock Exchange under the ticker symbol KCG. You can find additional information about Knight at www.knight.com.

Types of Advisory Services

Astor provides proprietary separately-managed account programs for managed account clients. Astor’s proprietary macroeconomic model serves as the principal basis for investment decisions. This model analyzes economic data such as GDP, inflation, unemployment, money flows and overall market conditions to determine the current phase of the business cycle (expansion, peak, contraction or trough). Once the phase of the business cycle is identified, the portfolio management team rebalances the investment portfolios based on the current phase of the business cycle. Typically, Astor only rebalances when the economic cycle changes.

Astor utilizes ETFs and mutual fund shares in its investment portfolios. ETFs and mutual funds are professionally managed collective investment products that pool money from many investors and invest in stocks, bonds, short-term money market instruments, derivatives and commodities or any combination thereof in accordance with the funds’ objectives. ETFs may include investment companies structured as grantor trusts or interests in limited partnerships, some of which may invest in commodities and currencies directly or through the use of derivative products.

Tailored Relationships

You may place reasonable restrictions on the management of your account, including restrictions that prevent Astor from investing in certain securities or types of securities. However, Astor reserves the right to discontinue providing investment advisory services to your account if Astor’s portfolio managers reasonably believe that the restrictions imposed upon the account prevent the Firm from effectively managing your account. You should be aware that any restrictions you place on the account may impact your account’s performance which may, over time, result in underperformance relative to Astor’s model portfolio.

Participation in Wrap Fee Programs

Astor serves as an investment manager for managed account programs, including wrap fee programs and overlay portfolio manager programs. Such arrangements are sponsored by broker-dealers or investment advisers who are neither affiliates nor related persons of Astor. When the program sponsor is a broker-dealer, the sponsor may also execute a client’s portfolio transactions without an additional commission charge and provide custodial services for the client’s assets, all for a single fee paid by the client to the program sponsor also known as a “wrap fee.”

In a managed account program, the sponsor is responsible for providing you with continuous advice regarding your investment portfolios based on your individual needs. You should consult with your financial professional and carefully review this Brochure before selecting Astor. Astor is available to consult with you and your financial professional; however, this does not occur frequently.

Astor also manages client accounts which are not structured as wrap fee accounts. These clients pay transaction costs on each trade executed in the account. Astor does not manage wrap accounts differently than non-wrap accounts.

Refer to Item 5: Fees and Compensation for additional information on how Astor is compensated for its services. Astor's investment advisory agreement may be terminated, generally, at the written request of the client, the program sponsor, or Astor. In the event of termination, Astor will pro-rate the advisory fee.

Item 5: Fees and Compensation

You will pay Astor a management fee based on the value of assets in your account. Generally, Astor charges a fee of between 0.50% and 2.00% annually. Astor's fees are negotiable. For accounts that are referred to Astor under a solicitor agreement between Astor and a referring financial advisor or a broker-dealer firm, the management fee charged to the client will range between 0.50% and 2.00% annually but the amount of the fee within that range will be determined by the financial advisor or broker-dealer firm, not by Astor.

In a wrap program, you will pay the program sponsor an annual wrap fee that ranges between 1.00% and 3.00% of assets in your account. This total fee generally covers the fees due to the program sponsor for its advisory services, transactional fees for trades executed through the sponsor, fees for custodial and reporting services and fees to investment advisers selected by the sponsor or client. The program sponsor, and not Astor, determines the exact amount of the wrap fee. The sponsor pays Astor a portion of the program fee which ranges between 0.40% and 0.75% of the assets that Astor manages under the program. Astor's fee will vary depending on the size of the program, the services performed by the program sponsor, the referring financial intermediary under the program, and the Astor program that you select. You should consult the program sponsor's Brochure for additional information on the fees associated with the program.

Astor serves as an investment adviser to the Astor Fund, a series of Northern Lights Fund Trust, an open-end investment company registered under the Investment Company Act of 1940. The Astor Fund's investment strategy mirrors that of the Astor Long/Short Balanced Program. Astor receives an annual management fee of 1.00% of the average daily net assets of the Astor Fund. You should consult the Astor Fund's prospectus for complete information on the Astor Fund, including its strategy, objectives, and expenses. You can obtain a copy of the Fund's prospectus and Statement of Additional Information at www.astorllc.com.

Fee Billing

The specific manner in which fees are calculated and charged by Astor is established in the clients' written investment agreement with Astor or in a written agreement between Astor and the program sponsor. Generally, Astor calculates and bills its management fee at the end of each month based on the current market value of the account less the current market value of any short positions and the liabilities and expenses incurred in connection with any margin transactions. Astor assesses its fees based on market prices for securities provided by either the account custodian or a pricing download from an independent pricing service.

In certain limited cases, clients may pay Astor's fee in advance and/or quarterly, depending on the billing procedures of the program sponsor. You should review program sponsor's wrap fee program brochure for detailed information on the manner in which fees are calculated and paid as well as the way in which a client is credited a refund when an account is terminated.

In addition to the asset-based fee, Astor charges your account an annual account administration fee of \$100. In certain limited cases, Astor may elect to waive the account administration fee.

Direct Debit of Fees

Clients generally authorize Astor to directly debit fees from their account. However, clients may request alternative billing, such as being invoiced and making payment via check. Clients should also refer to the wrap program brochure for additional information about what types of alternative billing arrangements are available for your program.

Other Fees

In managed account programs, Astor does not negotiate brokerage commissions for trades which are executed through the program sponsor. As noted above, the wrap fee that you pay to the sponsor will typically cover the costs of trades executed by the sponsor in your account.

Astor may direct transactions to broker-dealers other than program sponsors in order to meet its best execution obligations. For these transactions, Astor negotiates an embedded commission, also known as a mark-up or mark-down, with the broker-dealer executing the transaction. The mark-up or mark-down that you pay to the executing broker-dealer will be in addition to the portion of the wrap fee which covers transactions executed by the program sponsor. Refer to Item 12: Brokerage Practices for more information on Astor's selection and review of broker-dealers.

Astor manages client accounts using ETFs and indexed mutual funds. Both ETFs and mutual funds have operating expenses and management fees. As a shareholder of the ETF or mutual fund, you bear these expenses which are reflected in the net asset value of the fund. These expenses are separate from and in addition the investment advisory fee that Astor charges your account. You should consult the fund's prospectus for a complete description of all fees and expenses. You can invest directly in ETFs and indexed mutual funds without the services of Astor. In that case, you would not receive Astor's asset allocation and portfolio rebalancing services. To fully understand the total costs you will incur, you should review the fees charged by ETFs, mutual funds, our firm and others.

When appropriate, Astor may use its discretionary authority to invest client account assets in the Astor Fund. This may create a conflict of interest as Astor would collect two fees on the assets invested in the Astor Fund, namely its advisory fee which is assessed on the market value of the account and the management fee that it receives from the Astor Fund. In order to mitigate this potential conflict, Astor waives its investment advisory fee on the portion of the client account which is invested in the Astor Fund.

Item 6: Performance-Based Fees

We do not charge performance-based fees for client accounts. Performance-based fees are fees that are based on a share of the capital gains or capital appreciation in the client account. Our fees are calculated as described in Item 5 and are not charged on the basis of a share of capital gains in your advisory account.

Item 7: Types of Clients

Astor provides investment advice to individuals, investment companies, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations and other business entities as well as other investment advisors and broker-dealers that sponsor managed account programs. In general, we require a minimum of \$100,000 in investable liquid assets to open and maintain an advisory account. At our discretion, we may waive the account minimum.

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Astor uses several different methods of analysis and sources of information when formulating its investment strategies. We source information from financial newspapers and magazines, research materials prepared by others, as well as our proprietary economic model. This economic model analyzes data provided by federal agencies that relate to the U.S. economy such as GDP, inflation, employment and money flows. Astor's model utilizes these data points, in conjunction with overall market conditions, to determine the current phase of the business cycle (expansion, peak, contraction or trough). The phase of the business cycle informs the asset allocation and sector weightings for Astor's investment models. For investments in fixed income or similar securities, Astor will also use an analysis of interest rates, Federal Reserve interest rate policy and yield curves.

Investment Strategies

Astor's investment strategies are designed to invest based on our portfolio managers' determination of the current direction of the economy through our analysis as described above. Therefore, there is a risk that our analysis of the data is incorrect. Additionally, while our strategies operate under the assumption of a correlation between market performance and the direction of the economic trend, there is a risk that the performance between the markets and economy diverge and our models do not accurately gauge the market trend.

Some of Astor's strategies are designed to invest a significant portion of the portfolio's assets (up to approximately 25% of an overall portfolio) in funds designed to track the inverse performance of a broad equity index. Investing in such funds means that your investment will decrease when the market goes up. Furthermore, there is a risk that over a longer period of time the investment in such funds inverse performance will deviate from the benchmark's performance over the same time period, due to the effect of daily compounding. Other Astor programs will not invest in inverse funds and will generally hold a specific minimum percentage of the portfolio's assets in equity index funds. Therefore, such programs are more subject to market risk and will generally underperform the programs with inverse market exposure during negative market periods.

There are additional risks that affect investments in fixed income securities. While all of Astor's investment strategies will invest in fixed income to some degree, this risk will be greater for Astor's fixed income oriented program. Specifically, there is a risk that an increase or decrease in interest rates may cause the value of securities held in the portfolio to decline. Furthermore, since Astor may use a separate analysis of additional factors for investment in fixed income securities, such analysis is generally subject to the risk that the indicators used may not accurately predict the direction of interest rates.

In addition to investments in equity or equity-related securities and fixed income securities, Astor's programs generally invest in other asset classes, including commodities, currencies, and alternative strategies. Such investments are subject to very different risks than investments in equities or fixed income. Furthermore, such asset classes are generally not highly correlated to the movements of the equity markets or may be inversely correlated. Generally, investments in commodities may be more volatile than investments in other types of securities.

Risk of Loss

Although Astor makes every effort to preserve capital and achieve real growth, you should be aware that investing in financial instruments involves the risk of loss. As a client, you should be prepared to bear losses. We do not represent or guarantee that our services or methods of analysis can or will predict future results or insulate clients from losses due to market corrections or declines. You should be aware that past performance is in no way an indication of future performance.

Recommendation of Particular Types of Securities

As disclosed in the Advisory Business Section, client accounts are normally invested in ETFs and indexed mutual funds. While ETFs and mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market or type of security, if it primarily invests in small cap or speculative companies, or uses leverage (i.e. borrows money) to a significant degree. Similarly, ETFs or mutual funds which invest in foreign stock markets can present additional risk due to political, economic and currency risks as well as differences in accounting methods and standards. While ETFs or indexed mutual funds are designed to track the performance of a specific index there is a risk that the ETF or mutual fund will fail to perfectly correlate with the index it is meant to track. Because the management company of the ETF or mutual fund will typically use a strategy to replicate the performance of the index, the strategy used may not track the index perfectly. Astor monitors tracking error and will adjust its product selection if tracking error exceeds expectations. Additionally, the performance of the ETF or mutual fund will also deviate from the underlying index due to fees and expenses.

Item 9: Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Astor or the integrity of Astor's management. Astor does not have any legal or disciplinary items to disclose.

Item 10: Other Financial Industry Activities and Affiliations

Affiliated Broker-Dealers

Astor is affiliated with several registered broker-dealers that are subsidiaries of Knight (“Knight Affiliated Broker-Dealers”). Certain Knight Affiliated Broker-Dealers may execute securities transactions for Astor’s clients, including the Astor Fund. Knight Affiliated Broker-Dealers may also sell Astor Fund shares, or may solicit advisory clients for Astor, as described in greater detail below. In performing these functions, Knight Affiliated Broker-Dealers will receive commissions, and, with respect to sales of Astor Fund shares, fees paid pursuant to the Astor Fund’s Rule 12b-1 plan (although no such 12b-1 fees will be received in connection with sales of Astor Fund shares to advisory clients of Astor that are ERISA or government plans).

Proprietary Account

Astor manages a proprietary investment account of its parent company on a discretionary basis (“Knight Account”). Astor utilizes investment strategies and products for the Knight account which it does not utilize in programs that are available to clients. Generally speaking, Astor utilizes an investment strategy for the Knight Account which is more aggressive as it involves the use of short selling and leverage. The use of leverage and short selling involves higher risk and, as a result, may result in more volatile performance, both to the upside and downside.

Astor may also buy or sell the same securities for the Knight account which it buys or sells for client accounts. This practice may create a conflict of interest as Astor may buy or sell investments for the Knight Account in a manner which might disadvantage client accounts. As discussed in greater detail in Item 12, Astor maintains trade aggregation and rotation policies and procedures which are designed to ensure that all client accounts are treated fairly and equitably. Consistent with its duty of best execution, Astor’s policy with respect to trades where the Knight account is buying or selling the same security as client account is to place the order for the Knight account after the order(s) for client accounts are filled. This practice may result in execution prices which are more or less favorable for the Knight Account, depending on the direction of the market. For example, in a declining market, the Knight Account may receive a lower price on a buy order than the client accounts. However, in a rising market, the Knight Account will pay a higher price on a buy order than the client accounts. Astor has implemented policies and procedures to mitigate this risk. For example, Astor has adopted policies requiring periodic reviews of execution quality for its client accounts vis-à-vis the Knight Account to ensure the equitable treatment of all client accounts.

Certain Astor employees are eligible to participate in a bonus plan which is funded by gains in the value of the Knight account. This may present a conflict of interest as Astor employees eligible to participate in the bonus plan may have an incentive to spend more time on the Knight account than on client accounts and may direct investment ideas to the Knight account, rather than client accounts. Astor has implemented policies and procedures to mitigate this risk. For example, Astor has adopted a Code of Ethics for all employees which requires that client interests be placed ahead of the interests of Astor and its employees. In addition, Astor’s policy is to follow applicable investment guidelines to ensure that investment decisions are made in accordance with investment objections and guidelines and restrictions applicable to each particular client account as well as to the Knight Account.

IARs Acting as Registered Representatives of Affiliated Broker/Dealers

Certain investment adviser representatives (“IARs”) of Astor may also act as registered representatives of an affiliated broker-dealer, Knight Capital Americas, L.P. (“KCA”). Because of their dual roles, a conflict of interest may exist when these representatives recommend that an advisory client buy or sell securities, including the Astor Fund. In all such cases, Astor ensures that its IARs only recommend transactions for advisory clients that are in the best interest of the client.

Affiliated Investment Company

Astor serves as the investment adviser to the Astor Fund. As noted, Astor may, if appropriate for a separately managed account client, allocate a portion of the client's account assets to the Astor Fund. In such cases, Astor waives the account-level advisory fee on any portion of account assets invested in the Astor Fund to prevent double-charging you.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of loyalty, fairness and good faith. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material non-public information about you or your account holdings by persons associated with our firm. You may contact us at (800) 899-8230 to request a copy of the Code.

Personal Trading

Our Firm, our employees, and other related persons may buy or sell for their own accounts the same securities that may be recommended to advisory clients. These personal securities transactions may raise potential conflicts of interest between Astor and its clients. For example, a conflict may exist when we have the ability to trade ahead of you and potentially receive more favorable prices than you do. Astor's Code is designed to prevent such conflicts of interest and prevent violations of Astor's fiduciary duties to its clients. The Code includes procedures to ensure that its policy regarding front-running, insider trading, and other conflicts is being observed by Astor's employees and related persons.

In addition, the Code imposes certain pre-clearance and reporting requirements on Astor employees. The Code also requires that all personal securities transactions be conducted in a manner that avoids any actual or potential conflict of interest, and requires that the identity of clients, their security holdings and financial circumstances be kept confidential.

Participation or Interest in Client Transactions

Astor may purchase or sell securities for client accounts through Knight Affiliated Broker-Dealers. This affiliated brokerage relationship may raise potential conflicts of interest between Astor, its Knight Affiliated Broker-Dealers, and Astor's clients. For example, using an affiliated broker-dealer may provide an incentive to cause a larger number of transactions to be executed through Knight Affiliated Broker-Dealers than would otherwise be the case and could be considered to cause transactions to be executed through Knight Affiliated Broker-Dealers that might be more favorably executed through another broker-dealer. To guard against such conflicts, Astor has adopted policies and procedures to ensure that all client trades executed through Knight Affiliated Broker-Dealers obtain best execution and are made in compliance with the applicable regulatory requirements.

Principal Transactions

Astor generally does not engage, directly or through an affiliate, in principal transactions with separately managed account clients. Astor has adopted policies and procedures to ensure that, to the extent it engages in any principal transactions, such transactions comply with Section 206(3) of the Advisers Act, which requires prior notice of and consent to a principal transaction, on a transaction-by-transaction basis. Under no circumstances does Astor, directly or through an affiliate, direct principal transactions with ERISA or government plan clients or with the Astor Fund. Nevertheless, an advisory client of Astor's may transact, directly or through an unaffiliated investment adviser or unaffiliated broker-dealer, with one of the Knight Affiliated Broker/Dealers on a principal basis. In such cases, Astor does not have any involvement in or control over such principal transactions.

Agency Cross Transactions

Astor may engage in agency cross transactions by executing, directly or through an affiliate, a transaction between an advisory client and a brokerage client of one of the Knight Affiliated Broker-Dealers. Agency cross transactions may raise potential conflicts of interest between Astor, Knight Affiliated Broker-Dealers, and Astor's clients, as Astor may earn advisory fees from an advisory client involved in an agency cross

transaction while at the same time a Knight Affiliated Broker-Dealers may earn brokerage fees for acting as broker-dealer to a brokerage client buying from or selling securities to Astor's advisory client. Astor has adopted policies and procedures to ensure that all such agency cross trades obtain best execution, meet our fiduciary obligations and comply with regulatory requirements. Among other things, SEC regulations require that Astor provide notice to clients that it may engage in agency cross transactions and obtain client consent to engage in such agency cross trades. Astor does this by providing notice and obtaining consent in its IMA. The IMA specifies that a client may revoke such consent at any time. Astor will only engage in agency cross transaction involving ERISA or government plan clients as permitted under ERISA.

Item 12: Brokerage Practices

Selecting Brokerage Firms

Unless you or your program sponsor impose specific restrictions, Astor has complete discretion to direct trades for your account to any broker-dealer for execution in accordance with its fiduciary duty to seek best execution. In fulfilling this duty, Astor seeks to comply with all applicable rules and regulations.

Best Execution

Astor will recommend broker-dealers for client accounts. When so doing, Astor has a fiduciary duty to seek best execution for client transactions. The Firm maintains written policies and procedures to evaluate the execution performance of broker-dealers. These policies are modeled after the guidelines articulated by the SEC. Specifically, we believe that best execution is largely a qualitative concept.

Astor may recommend or choose broker/dealers based on a variety of factors which may include:

- (i) the broker-dealer's capital depth and market access;
- (ii) Astor's knowledge of negotiated commission rates and spreads currently made available;
- (iii) the nature and character of the markets for the security to be purchased or sold,
- (iv) the desired timing of the transaction;
- (v) the execution, clearance and settlement capabilities of the broker/dealer selected; and
- (vi) the reasonableness of the commission or its equivalent (such as a mark-up or mark-down) for the specific transaction.

Astor may not necessarily select the broker-dealer with the lowest commission or commission equivalent (such as a mark-up or mark-down) for a specific transaction, but instead may select a broker-dealer that provides specialized services, which justify the payment of higher commissions (or their equivalent) than those customarily paid for transactions requiring routine services.

Affect of Directed Brokerage on Best Execution

You may direct Astor to utilize a specific broker-dealer for execution. You should be aware that Astor's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable under directed brokerage arrangements.

Timing of Trading and Affect on Best Execution

Astor generally places routine trades for client accounts on Tuesdays and Fridays of each week, except in the case of shortened holiday weeks. Routine trades include new account positioning and normal rebalancing of out-of-balance accounts (defined according to the investment committee's defined allowable tolerance). Based on market conditions and other factors, this practice may result in client trades being made at prices lower than what might be achieved on other days of the week.

Use of Account Custodian and Affect on Best Execution

Astor executes trades for accounts held at certain custodial firms with the custodian under certain circumstances ("Listed Custodians"). For example, Astor's contract with the Listed Custodian may require that all trades be executed at the custodian. Or, operational limitations may require that Astor execute trades at the Listed Custodian. Obligations to use a particular Listed Custodian because of contracts or operational limitations may constrain Astor in its efforts to obtain best execution. For client accounts that are not held at one of the Listed Custodians, Astor generally will direct all sell orders placed during normal trade days to the relevant account custodian (due to incentives to do so such as trading away costs).

Soft Dollars

Astor may engage in any soft dollar arrangements with certain executing broker-dealers that provide research to Astor. A soft dollar arrangement is an arrangement through which Astor uses client commission dollars to pay for research and other products. This provides a benefit to Astor because we

do not have to pay for the research provided. Soft dollars may be used to pay for software that provides analyses of securities portfolios, market research, data services and market data, trade analytical software and applications to ensure trade confirmation. The receipt of soft dollar may cause clients to pay higher commission than if soft dollars were not being used. Any soft dollar benefits received by Astor are used to service all of Astor's client accounts, even those not directly paying for those services with their commissions.

Astor may have an incentive to execute through a broker-dealer based on our interest in taking soft dollars. To mitigate such conflicts, Astor will take into account whether payments to such executing broker-dealers are reasonable in terms of the value of the services provided and Astor acts consistently with its duty to obtain best execution. Astor has adopted policies and procedures designed to ensure that soft dollar transactions comply with regulatory requirements.

Order Aggregation

Astor will aggregate client orders at the custodial level in all cases where two (2) or more client accounts, including the Astor Fund, are transacting in the same security. Astor will aggregate orders across multiple custodial firms. Astor may at its sole discretion opt to do so through step-out trades, through which trades are made away from the custodial firm to ensure that all clients of Astor receive aggregate pricing. Under this procedure, transactions will be averaged as to price and will be allocated among Astor's clients in proportion to the purchase and sale orders placed for each client account on any given day. Aggregated trades generally are executed on a "net basis," meaning that such trades are executed by broker-dealers as principal and therefore commissions are not charged with respect to such trades; however, the price at which such trades are executed may reflect a mark-up or mark-down.

Astor has adopted trade aggregation policies and procedures to ensure that all accounts are treated fairly when orders are aggregated for execution. Astor ensures that all clients participate in the aggregate trade on no less advantageous terms than all other clients such that each client receives the same execution prices and shares the transaction costs *pro rata*. Trades, where necessary, are allocated to advisory clients in a manner that fulfills Astor's fiduciary obligations to each client and otherwise allocates securities on a good faith basis that is objective, fair, equitable, consistently applied, and does not unfairly discriminate against any advisory client based upon account performance or other factors. Such an allocation may be necessary in the case where a block trade is only partially executed. When allocation is necessary, for example, with model rebalancing and/or portfolio changes, securities are apportioned among all accounts participating in an investment, with each account being allocated a *pro rata* share of the entire order.

Astor has adopted a trade rotation policy and methodology under which Astor will regularly rotate among executing broker-dealers, except for on portfolio re-balancing days when aggregated or block trades with the executing broker-dealer are not included in the normal trade rotation.

Item 13: Review of Accounts

Review

Astor's Operations & Trading staff conducts reviews periodically of client accounts to ensure that client portfolios are within a defined acceptable tolerance band to the program model allocations. In addition to these reviews, the CCO or designee will conduct limited sample testing of client accounts on at least an annual basis to ensure that client accounts are being invested according to the documented client objectives.

Reporting

Clients are typically provided with monthly or quarterly reports containing schedules of investments and information regarding transactions during the month or quarter by the custodian. The frequency of such reports is dependent upon the custodian's policies and procedures.

Client Objectives and Suitability

It is Astor's standard practice to collect information regarding client account objectives and risk tolerance at the outset of the client relationship. Such information is collected in the IMA and through any other verbal and/or written instructions the client may provide. Astor is responsible for ensuring that the goals and objectives of the separately managed account program selected by the client are suitable given the established client guidelines and information. Clients are responsible for communicating any significant changes in financial circumstances, investment objectives, and/or risk tolerance promptly to Astor. Formal reviews of client account objectives and client guidelines will be undertaken at least annually by Astor to determine that the continued appropriateness of the program selection and that any and all client guidelines and restrictions are being fulfilled.

For accounts managed under referral arrangements or managed account programs, the referring adviser or solicitor, program sponsor or primary investment advisor is responsible for the initial determination of client suitability for the selected separately managed account program and is responsible for reviewing the client objectives and communicating to Astor any change in account objectives or policies.

In determining suitability Astor relies on information about the prospective client provided by the program sponsor. This information may come from, among other things, a personal interview of the client, a written questionnaire completed by the client who provides certain financial and other relevant data including the client's investment objectives, risk tolerances and investment restrictions, if any. Once the account has been established, Astor may communicate with the client, as specified in the master agreement or sub-advisory agreement with the program sponsor; however, in most cases, the program sponsor or primary adviser is solely responsible for communicating with you.

Item 14: Client Referrals and Other Compensation

We directly compensate various third parties for client referrals including:

- (i) third-party broker-dealers and investment advisory firms and their representatives;
- (ii) certain employees and independent contractors of Astor;
- (iii) Knight Affiliated Broker-Dealers and their registered representatives; and
- (iv) certain other unregulated entities.

Pursuant to these arrangements, we may pay a referral fee to a solicitor which is based upon a percentage of Astor's advisory fee. We may also pay periodic "bonuses" to certain solicitors that refer a target amount of assets to Astor.

Solicitation fees (both referral fees and bonus payments) are paid pursuant to a written agreement, which is retained by Astor. Whenever, we pay a fee to a solicitor, we require that the solicitor provide you with a copy of our Brochure as well as a separate Solicitor's Disclosure Document which sets forth:

- (i) the solicitor's name and relationship to firm;
- (ii) the fact that the solicitor is being paid a referral fee;
- (iii) the amount of the fee; and
- (iv) whether the fee paid by the client is higher as a result of the solicitation arrangement.

Referral fees paid to a solicitor are contingent upon you engaging Astor to provide investment management services. Therefore, a solicitor has a financial incentive to recommend our firm to you. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Item 15: Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for payment of our advisory fees. This ability to deduct our advisory fees from your accounts results in our firm exercising limited custody over your funds or securities. We do not, however, maintain physical custody of any of your funds or securities. Your funds and securities are held with a broker-dealer or other qualified custodian. You should receive monthly or quarterly account statements from your custodian or program sponsor. You should carefully review these statements upon receipt and compare them to any reports that we provide.

Item 16: Investment Discretion

Astor provides you with discretionary asset management services. Accordingly, Astor places trades in your account without contacting you prior to each trade to obtain your consent. Our discretionary authority includes the ability to:

- (i) determine the security to buy or sell;
- (ii) determine the amount of the security to buy or sell; and
- (iii) determine the broker-dealer utilized to execute the transaction.

You grant Astor discretionary authority when you sign our investment management agreement or through a limited power of attorney or trading authorization provided by your program sponsor.

Clients may impose limitations on such authority and Astor may choose to accept reasonable limitations or restrictions at its discretion. All limitations and restrictions placed on the account must be presented to Astor in writing. Astor's clients do not normally impose any limitations on Astor's investment discretion but some of Astor's clients have imposed limitations that prevent Astor from investing in specific securities or types of securities.

Item 17: Voting Client Securities

We vote proxies for client account securities consistent with the best interests of our clients. Astor's Proxy Policy establishes the practices by which Astor fulfills its responsibility to monitor corporate actions, receive and vote client proxies, disclose any related potential conflicts of interest, make information available to clients about the voting of proxies for their portfolio securities, and maintain relevant and required records.

Pursuant to its Proxy Voting Policy, we will generally vote in accordance with management's recommendations unless we determine that voting in such a manner is in conflict with the best interests of our clients. In these cases, we will evaluate and vote the proxies on a case-by-case basis. In general, clients cannot request that Astor vote in a particular way on any specific proposal.

In the case of any conflict of interest that is raised by Astor's voting discretion, Astor will do one of the following, as determined by the specific situation:

- (i) disclose the conflict to you and obtain your consent before voting; or
- (ii) suggest that you engage another party to determine how to vote; or
- (iii) vote the proxy according to the recommendation of an independent third party, such as a proxy consultant.

You may obtain a copy of Astor's Proxy Voting Policy and may obtain a record of the Firm's proxy voting record for your account, both free of charge, by calling (800) 899-8230.

Item 18: Financial Information

We are not required to provide financial information to our clients because we do not:

- (i) Require the prepayment of more than \$1,200 in fees six or more months in advance; or
- (ii) Take custody of client funds or securities; or
- (iii) Have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.