

THE SARATOGA ADVANTAGE TRUST

A MESSAGE FROM THE PRESIDENT

Dear Investor:

Thank you for your interest in the Saratoga Advantage Trust. Saratoga is an investor-focused firm committed to providing state-of-the-art, institutional-based investment services to investors. The Saratoga Advantage Trust is a reflection of that commitment, providing investors with a program in which their assets are professionally managed by an experienced team of money managers selected from among the nation's leading institutional investment advisory firms.

In an effort to protect capital and create wealth, successful institutional investors (large corporations and their pension plans) have typically followed a simple investment strategy:

1. Establish investment objectives based upon their financial goals;
2. Diversify investments to try to enhance returns and protect capital by allocating their money to several types of assets such as international stocks, U.S. stocks, bonds and money market funds;
3. Hire the finest money management firms to purchase and sell securities on their behalf within their established objectives; and
4. Monitor investment results on a regular basis to determine if all of their investment objectives are being met.

This institutional method of investing has remained unchanged for years, yet the expense of following this proven philosophy has prevented many investors from deriving its financial benefits. In addition, access to top-quality money managers is usually limited to investors with very large multi-million dollar accounts.

The Saratoga Advantage Trust was designed to give investors the same advantages and access to professional management that larger investors have. Through your financial advisor, you have a unique opportunity to participate in a comprehensive investment program and follow the same four-step philosophy of the institutional investors without prohibitive account minimums.

Whether your goals include saving for your retirement, funding your child's education, or purchasing a home, I hope you will read on in this brochure and decide to let us help you reach your financial objectives.

Best wishes,



Bruce E. Ventimiglia
Chairman, President and
Chief Executive Officer
The Saratoga Advantage Trust

WELCOME TO THE SARATOGA ADVANTAGE TRUST

What is The Saratoga Advantage Trust?

An Investment Vehicle Designed for Asset Allocation

Saratoga developed these distinctive investment portfolios to provide you and your financial advisor with a vehicle designed for the implementation of your asset allocation decisions.

1

GOAL IDENTIFICATION

The first step is for you and your financial advisor to identify and quantify your economic goals based upon your personal financial objectives such as education funding, home purchase, elder care and retirement savings. With your specific goals identified, your financial advisor can help you to establish your time horizon for investing, evaluate your tolerance for risk, and help you choose a prudent, long-term investment strategy best-suited to achieve your financial objectives.

2

ASSET ALLOCATION

Once your investment objectives are established, your financial advisor can tailor your portfolio recommendation to help you achieve your goals by diversifying your investments and allocating them among the appropriate asset classes - such as stocks, bonds or money market instruments. You can then make your investments in each asset class using the portfolios of the Saratoga Advantage Trust. This process is extremely important, as research has consistently shown that asset allocation is one of the most important factors in determining a portfolio's total return - far more important than the individual securities you purchase or when you buy and sell them. (Please see the graph presented on page 4).

3

PROFESSIONAL MANAGEMENT

Each of the Saratoga Advantage Trust's portfolios is advised by a nationally renowned institutional money management organization with a special expertise in their particular investment discipline. These are the same managers who invest the portfolios for some of the nation's largest corporations, pension funds and foundations. Their collective years of experience, advanced research capabilities and superior management skills are usually not available to most investors. However, through the Saratoga Advantage Trust, these professionals are ready to work for you.

4

QUARTERLY PERFORMANCE MEASUREMENT

To monitor your investment progress, the Saratoga Advantage Trust provides you with a comprehensive, written quarterly report. The report enables you and your financial advisor to get a clear, fair understanding of your portfolio's performance. Investment results are shown for quarterly, annual and since inception time periods, and a complete summary of all of your transactions is also included for your records.



THE ASSET ALLOCATION CHALLENGE:

Choosing the right investment mix is one of the most important and difficult decisions an investor must make.

Increased volatility in the stock and bond markets, global economic changes, and an ever-expanding universe of investment alternatives can leave even the most seasoned investor wondering which way to turn.

WHAT IS ASSET ALLOCATION?

Asset allocation is a sophisticated method of combining different classes of investments such as large stocks, small stocks, bonds, and money market funds to develop a comprehensive investment plan. The goal of asset allocation is to create a diversified investment portfolio in accordance with the investor's personal goals and objectives.

WHY ASSET ALLOCATION CAN BE HARD TO IMPLEMENT

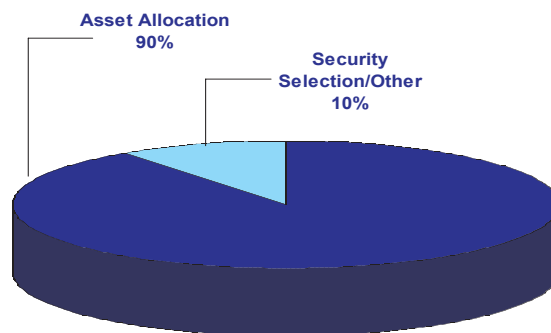
Investment programs can ignore the need for asset allocation, and may fail to combine appropriate investments to try to protect capital. In fact, some are designed to place all of an investor's assets into only one asset category. Perhaps more importantly, they can disregard the fact that financial goals and circumstances change throughout the course of an investor's lifetime, and that their appropriate asset allocation changes as a result.

Bewildering choices and inflexible investment programs make the asset allocation process extremely difficult for investors to implement.

WHY IS ASSET ALLOCATION IMPORTANT?

According to the Financial Analysts Journal, a prominent source of historical investment information, asset allocation accounts for about 90% of the variability of investment returns over time:

ABOUT 90% OF THE VARIABILITY OF RETURNS IS DUE TO ASSET ALLOCATION:



"Does Asset Allocation Policy Explain 40, 90 or 100 Percent of Performance?" by Roger G. Ibbotson and Paul D. Kaplan, that was printed in the January/February 2000 edition of The Financial Analysts Journal.

THE SARATOGA SOLUTION:

Your financial advisor recommends a strategic asset allocation specifically designed to meet your financial needs within your stated tolerance for risk.

USING ASSET ALLOCATION TO DIVERSIFY YOUR PORTFOLIO

Your financial advisor can determine an asset allocation strategy to diversify your assets to try to minimize your investment risk and increase your investment returns. Examples of the risk reduction that may be provided by even a simple asset allocation approach are illustrated in the table below.

YOUR FINANCIAL ADVISOR HELPS YOU CREATE YOUR PERSONAL ASSET ALLOCATION

Your financial advisor can carefully tailor your portfolio to meet your specific goals and objectives for growth, income, capital preservation, or a combination thereof.

Asset classes commonly used to create a diversified portfolio include:

- Large Capitalization Stocks
- Mid Capitalization Stocks
- Small Capitalization Stocks
- International Stocks
- Industry Sector Stocks
- Investment Quality Bonds
- Municipal Bonds
- U.S. Government Money Market Securities

Your financial advisor can work with you to change your asset allocation as often as necessary to maintain an investment strategy that is always consistent with your current objectives and financial circumstances. As you move through your life's investment challenges, your financial advisor can make the strategic recommendations to try to provide a lifelong guide to financial success.

THE IMPACT OF A DIVERSIFIED PORTFOLIO IN CHANGING MARKETS



Over the long term, diversified portfolios tend to provide less volatile returns. The charts compare the performance of a non-diversified portfolio composed entirely of common stocks (S&P 500) with a diversified portfolio that consists of: 40% S&P 500 (which measures common stocks); 40% 30-year Treasury bonds (which measure long-term government bonds); and 20% cash equivalents (which measure short-term cash equivalents). The periods of comparison each include a major market downturn. As you can see, the non-diversified portfolio had more dramatic short-term price swings than the diversified portfolio. These charts do not represent the long-term performance potential for common stocks or a diversified portfolio and there is no assurance that a diversified portfolio will provide more favorable results than a non-diversified one. Source: Ibbotson Associates, Chicago. Used with permission. All rights reserved.

THE INVESTMENT CHALLENGE:

One of the biggest problems that investors face is how to compete in today's complex financial markets.

THE ADVANTAGES OF PROFESSIONAL MONEY MANAGEMENT

No matter how much time you can commit to researching investments (in between your job and personal commitments), professional money managers will always be able to do more. They have the resources to hire the best investment minds and equip them with state-of-the-art computer systems.

That's why major corporations, pension plans, and wealthy individuals utilize professional money managers; they know that using professional management is an excellent way to try to achieve their investment goals.

CHOOSING THE RIGHT MANAGERS REQUIRES EXPERTISE

With over 22,000 money management firms in the United States today, there are actually many more managers to research than there are stocks on the New York Stock Exchange!

Researching and selecting an appropriate, reputable firm is difficult. Selecting a group of money management firms to combine their investment specialties to work with your strategic asset allocation further complicates matters.

Large investors can afford to pay consultants to work through this arduous process of screening out the inappropriate firms, but smaller investors typically do not have access to this expertise.

TOP QUALITY MANAGERS HAVE TRADITIONALLY WORKED ONLY WITH LARGE ACCOUNTS

High quality professional money management firms generally have multi-million dollar account size requirements.

Unfortunately for the average investor, the high quality professional money management firms have million dollar or greater minimum account size requirements. Based upon their long-term successful track records, they can choose to work with only the largest clients who can afford their fees and meet their minimums. In addition, to properly diversify your investments to meet your goals, you would need to hire a manager to oversee your investments in each asset class.

Lack of sufficient time and expertise, the difficulty of selecting an appropriate, reputable manager, and the high minimum account levels for top quality managers make the investment challenge difficult for investors.

THE SARATOGA SOLUTION:

The Saratoga Advantage Trust is designed to work effectively with your financial advisor's asset allocation recommendations.

THE SARATOGA ADVANTAGE TRUST PROVIDES EXPERT PROFESSIONAL MANAGEMENT

The Saratoga Advantage Trust consists of twelve proprietary investment portfolios, each representing a major investment asset class. The Trust incorporates all of the traditional advantages and disciplines of professional money management, with two additional benefits:

1. Each investment portfolio is advised by a professional money management firm with a nationally recognized expertise in managing its specific asset class. These are firms of institutional quality and integrity that manage money for some of the world's largest corporations, pension plans, hospitals and municipalities. (Please see the Saratoga Advantage Trust Investment Portfolios brochure and Prospectus for more information on the managers).
2. Each portfolio invests only in its specific asset class within the Trust's explicit investment guidelines. This helps ensure that the Saratoga portfolios always work hand-in-hand with your specific asset allocation. Investors should note that in other portfolios, the portfolio manager may not be required to invest in a manner that is consistent with investors' asset allocation goals, and in fact may counter the investor's asset allocation strategy by imposing a different or contrary allocation within the portfolio. (Please request the "How the Saratoga Portfolios Differ" brochure for a more detailed discussion of these important advantages.)

WHAT DOES ASSET CLASS SPECIFIC INVESTING MEAN TO YOU?

It simply means that the Trust provides you with a professional "player" at each specific position. This is designed to balance your investment team by putting the right skills in the appropriate places. You can't win a game with 11 quarterbacks, no matter how talented they may be.

SARATOGA'S RESEARCH EXPERTISE IN MANAGER SELECTION

Saratoga Capital Management, LLC has carefully selected the Trust's top money management firms from the universe of over 22,000 candidates based upon extensive research and evaluation of each firm's:

- Investment Philosophy
- Research Capabilities
- Decision Making Process
- Professional Staff Experience and Size
- Long-Term Investment Performance
- Organizational Stability
- Financial Strength
- Communications and Reporting Skills

EASY ACCESS TO TOP QUALITY MANAGERS

The Saratoga Advantage Trust's low minimum account size provides investors with easy access to some of the nation's finest money managers. By using the Saratoga Advantage Trust, all investors have the opportunity to invest in the same manner as successful institutions do.

THE BOTTOM - LINE CHALLENGE:

Staying on track to your financial goals
until you achieve them.

WHY DO MANY INVESTORS FAIL?

Like an exercise program or a diet regimen, successful investing requires a long-term, disciplined commitment. Many investors begin with good intentions, but the day-to-day events of work, family and social life frequently overwhelm even the most committed. Financial markets change, and new trends require a reevaluation of prior investment strategies. Your own goals and circumstances change over time and your investments should be modified to reflect your new requirements. Without a constant source of guidance, it is easy to let your investment discipline slip away.

WHAT INFORMATION DO YOU NEED TO BE A SUCCESSFUL INVESTOR?

Ask yourself: How many of your investments provide you with the information you need to determine if they are performing properly?

Do you receive statements that do not provide you with your investment performance, or reports that contain so much data that it would overwhelm and confuse a statistician?

Without a way to see investment results in a

meaningful light, investors have no idea whether their investment performance is as good as it could be, or even acceptable at all. An investment in stocks that returned 10% sounds good, but what if the stock market returned 15% in the same period? Conversely, an investment that declined in value may actually have performed quite well in comparison to similar investments that declined even more over the same time period. To truly understand your investment per-

formance, you not only need to know your specific performance, but also the performance of the appropriate benchmarks to make a valid comparison.

How many investment vehicles provide the information you need to determine if they are performing properly?

THE SARATOGA SOLUTION:

Ongoing guidance and clear, concise performance information.

LIFELONG GUIDANCE TO KEEP YOU ON TRACK

Once you establish an account, your financial advisor can provide you with the ongoing, investment advice that you need to stay on track to your financial goals. Your financial advisor can help you periodically review your investment goals and objectives and, as the financial markets change, develop the appropriate investment strategy for your current needs.

THE SARATOGA QUARTERLY REPORT PROVIDES YOU WITH COMPREHENSIVE INFORMATION

In order for you to accurately gauge your investment results, the Saratoga Advantage Trust provides you with a comprehensive, written quarterly report containing detailed investment information. Each report includes the following highlights:

- Your overall Saratoga Advantage Trust investment performance.
- The performance of each of your individual investment portfolios.

- Your current holdings in each of the portfolios.
- A detailed financial markets overview from Saratoga Capital Management, LLC.
- Helpful tax preparation information including:

- A summary of your interest and dividends received and/or reinvested.
- A summary of your purchases, sales and exchange activity.

The Saratoga Advantage Trust provides you with a comprehensive quarterly report.

The information in the quarterly report has been carefully designed to assist you in analyzing your investment progress. All performance figures are provided for the current quarter, as well as on a year-to-date and since inception basis, allowing you to review your investment progress over several time periods. In addition to the

comprehensive quarterly reports, your taxable accounts will also receive an annual statement of your realized gains and losses to help you with your tax planning and preparation.

In between quarterly reports, information on your investment in the Saratoga Advantage Trust is always available through your financial advisor.

THE SARATOGA ADVANTAGE TRUST

Who's working for you when you use
the Saratoga Advantage Trust?

Your Professional Investment Team.

- **Your Financial Advisor.** A valuable source of advice in helping you complete the Investor Profile Questionnaire and in helping you to determine your long-term financial goals. You and your financial advisor will work together to select the most appropriate investment strategy to help you realize your objectives.
- **Saratoga Capital Management, LLC.** The team of professionals who oversee the Saratoga Advantage Trust. Their role is to monitor the Trust's activities and services, and their goal is to provide investors with the finest investment services available.
- **The Professional Money Managers.** Every stock, bond and security held in your Saratoga Advantage Trust portfolio has been selected by top quality professionals, each working within their special expertise.
- **The Bank of New York.** The Bank of New York, the nation's oldest bank, is one of the world's leading service providers to registered investment companies, with \$18 trillion in global assets under custody. The Bank of New York is the custodian of all of the assets of the Saratoga Advantage Trust for its shareholders.
- **Tait, Weller & Baker LLP.** An accounting firm with broad experience in the trust industry. Tait, Weller & Baker provides quality auditing services to the Saratoga Advantage Trust.
- **Ibbotson Associates.** Ibbotson is a leading industry provider of historical asset class performance data and provides Saratoga Capital Management, LLC with a constant stream of updated financial and investment information.
- **You.** By identifying your financial goals with your financial advisor, and getting started with the Saratoga Advantage Trust, you will be the most valuable player on the Investment Team. Only you can take the first steps toward achieving financial success, and only you can get the rest of the team involved.

THE SARATOGA ADVANTAGE TRUST

The Saratoga Advantage Trust
Is Designed For Use With
All Types Of Retirement Plans.

401(k)Plans • Profit Sharing Plans • Pension Plans • IRAs • Keoghs

- The Trust is an excellent investment vehicle for individual and ERISA retirement plans. It was also designed to offer appropriate investment alternatives so that self-directed plans may comply with ERISA Section 404(c), which limits the plan fiduciary's liability.
- The Trust provides professional management of all of its investment portfolios and research in the selection of the managers.
- The Trust provides a comprehensive quarterly performance report to help in monitoring the plan's investment progress for compliance with its investment policy statement.

For 401(k) Plans, the Trust is designed to be an efficient and cost effective investment vehicle for implementing each participant's individual investment decisions. For more information, please ask your financial advisor for the Saratoga 401(k) Plan brochure.

How To Get Started With The Saratoga Advantage Trust

Talk to your financial advisor and complete the investor profile questionnaire. Your advisor will analyze your profile information and arrange a meeting with you to discuss your personal asset allocation strategy and your decision to invest in the Saratoga Advantage Trust.

Investors should carefully consider the investment objectives, risks, charges and expenses of the Funds of the Saratoga Advantage Trust. This and other information about the Funds is contained in the prospectus, which can be obtained by calling (800) 807-FUND and should be read carefully before investing. Distributor, Aquarius Fund Distributors, LLC, member NASD.
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SARATOGA CAPITAL MANAGEMENT, LLC

THE ASSET ALLOCATION SPECIALISTS[®]



FOR MORE INFORMATION, PLEASE CONTACT
SARATOGA CAPITAL MANAGEMENT, LLC AT:
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1-623-266-4567

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