



Positioning for the Potential End of the Bond Bull Market

AlphaCentric Newsletter -- September 2017

AlphaCentric Income Opportunities Fund (IOFAX)

Fixed income categories have taken a hit since the U.S. presidential election, with most categories experiencing limited gains. While this by itself does not indicate the death of the long bond bull market, we believe that the recent performance highlights the risks that fixed income investors face in the current environment. As described by [The Economist](#), "The biggest problem for investors is that ultra-low yields leave so little margin for error--the likely annual return on most long-dated bonds can be wiped out in an afternoon's trading."

Fixed income investors have felt the pain following the U.S. presidential election.

| Fund/Index/Category | Return (11/08/2016-08/31/2017) |
|-------------------------------------|-----------------------------------|
| IOFIX | +11.99% |
| BBgBarc US Agg Bond TR | +1.30% |
| Morningstar Long Government | +0.29% |
| Morningstar Long-Term Bond | +2.91% |
| Morningstar Intermediate-Term Bond | +1.86% |
| Morningstar Intermediate Government | +0.08% |
| Morningstar Short-Term Bond | +1.29% |

Investors should look to alternative fixed income strategies as a potential solution.

Since 2012, Garrison Point Capital (GPC) has provided investors yield and substantial total return by implementing a distinct strategy that seeks to take advantage of dislocations in highly-complex asset-backed markets, with an emphasis on upside potential and floating rate instruments. Since May 28, 2015, GPC's successful strategy has been available in mutual fund format as the [AlphaCentric Income Opportunities Fund \(IOFAX\)](#), which is widely available for purchase and has **already generated a 12.97% annualized return since inception**, as of 06/30/2017. GPC's related strategy has generated a **23.34% annualized return since October 2012**.

Download: IOFAX [Institutional Fact Sheet](#)

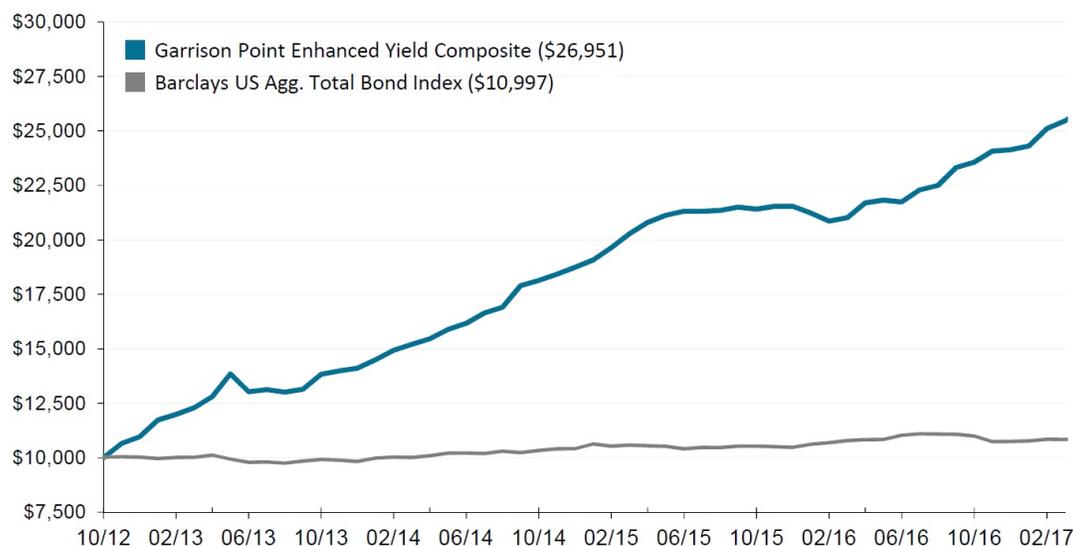
Download: IOFAX [Presentation](#)

Read Publication: [The Case for Seasoned Non-Agency Residential Mortgage Backed Securities](#)

PERFORMANCE ENDING June 30, 2017 (Annualized if greater than 1 year)

| Share Class/Benchmark | QTD | YTD | 1 YR | 2 YR | Inception* |
|-----------------------------------|-------|------|-------|-------|------------|
| Class I | 3.91 | 6.90 | 12.57 | 10.88 | 13.30 |
| Class A | 3.77 | 6.70 | 12.24 | 10.54 | 12.97 |
| Class C | 3.69 | 6.39 | 11.54 | 9.77 | 12.22 |
| Barclays US Agg. Bond TR Index | 1.45 | 2.27 | -0.31 | 2.79 | 2.21 |
| Morningstar Category ² | 1.69 | 3.79 | 5.99 | 3.95 | 3.23 |
| Class A w/ Sales Charge | -1.15 | 1.65 | 6.89 | 7.87 | 10.37 |

*Inception: 5/28/2015

GROWTH OF \$10,000**PERFORMANCE ENDING June 30, 2017** (Annualized if greater than 1 year)

| Share Class/Benchmark | QTD | 1 Year | 3 Years | Since Inception* |
|--------------------------------|-------|--------|---------|------------------|
| Enhanced Yield Composite | 5.86% | 23.98% | 18.56% | 23.34% |
| Barclays US Agg. Bond TR Index | 1.45% | -0.31% | 2.48% | 2.03% |

*Inception: 10/9/2012

There is no assurance that the Fund will achieve its investment objective. The Fund's maximum sales charge for Class "A" shares is 4.75%. Investments in mutual funds involve risks. Performance is historic and does not guarantee future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the Fund's prospectus please call the Fund, toll free at 1-844-ACFUND8 (844-223-8637). You can also obtain a prospectus at www.AlphaCentricFunds.com.

The Garrison Point Enhanced Yield Composite, the "Strategy", includes all client accounts managed by Garrison Point with investment objectives, strategies and policies substantially similar to the AlphaCentric Income Opportunities Fund. Results reported are net of fees. This information is provided to illustrate the past performance of Garrison Point in managing client accounts in a substantially similar manner as the Fund but does not represent performance of the Fund. Past performance is no guarantee of future results. Fees and expenses of the private accounts included in the Garrison Point Enhanced Yield Composite are generally lower than those of the Fund and, therefore, the Fund's performance would be lower than the results reported. The Fund's results would also be lower because private accounts are not subject to certain investment limitations, diversification requirements and other restrictions imposed on mutual funds by the 1940 Act or the Internal Revenue Code, which, if applicable, could have adversely affected the performance of the private accounts.

Barclays U.S. Agg. Bond Index is used to represent the U.S. corporate bond market. Investors cannot invest directly in an index, and unmanaged index returns do not reflect any fees, expenses or sales charges.

The advisor has contractually agreed to waive fees and/or reimburse expenses to maintain the Fund's total annual operating expense ratio at 1.49% excluding 12b-1 fees through July 31, 2018. Gross expenses for the most recent fiscal year were 2.09%, 2.84% and 1.84% for Class A, C and I shares, respectively.

IOFAX: Seeking to generate high current yield and total return

Today's bond markets are a combination of low yields and uncertainty as to the direction of interest rates. Many bond funds offer the same thing: low yields and increased risk, to the point that just a small market move can easily make returns negative. GPC and IOFAX survey often-overlooked segments of RMBS, ABS and securitized products seeking favorable risk-adjusted trades, rather than simply accepting current generic offerings.

The U.S. housing market is a centerpiece of the economy, as home ownership is a major consumer goal and home values have historically outpaced inflation. GPC seeks to take advantage of this by targeting "seasoned" bonds backed by home loans originated over a decade ago. The borrowers have as such been in their homes and withstood the test of an extremely difficult economic period, including one of the worst housing markets in history. At this point, these homeowners are now even more incentivized to continue making payments, since their home equity has improved and their credit history has been deeply established. IOFAX also attempts to benefit from the floating-rate nature of many of these securities, which provide higher yields and an increased level of price protection in a rising-interest rate environment. GPC has over 70 years of combined industry experience, an important component of successfully managing and trading these complex securities.

Contact Us

AlphaCentric Funds is proudly represented by Multi-Funds LLC. You can find your regional sales partner at our website, [here](#).

Website: www.alphacentricfunds.com

E-mail: info@alphacentricfunds.com

Phone: 844-ACFUNDS (844-223-8637)

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Investors should carefully consider the investment objectives, risks, charges and expenses of the AlphaCentric Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 844-ACFUNDS (844-223-8637) or at www.AlphaCentricFunds.com. The prospectus should be read carefully before investing. The AlphaCentric Funds are distributed by Northern Lights Distributors, LLC, member FINRA/SIPC. AlphaCentric Advisors LLC is not affiliated with Northern Lights Distributors, LLC.

Investing in the Fund carries certain risks. The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio. The Fund is non-diversified and may invest a greater percentage of its assets in a particular issue and may own fewer securities than other mutual funds; the Fund is subject to concentration risk. Credit risk is the risk that the issuer of a security will not be able to make principal and interest payments when due. The use of derivatives and futures involves risks different from, or possibly greater than, the risk associated with investing directly in securities. Fixed income securities will fluctuate with changes in interest rates. Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality. The performance of the Fund may be subject to substantial short term changes. There are risks associated with the sale and purchase of call and put options. These factors may affect the value of your investment.

