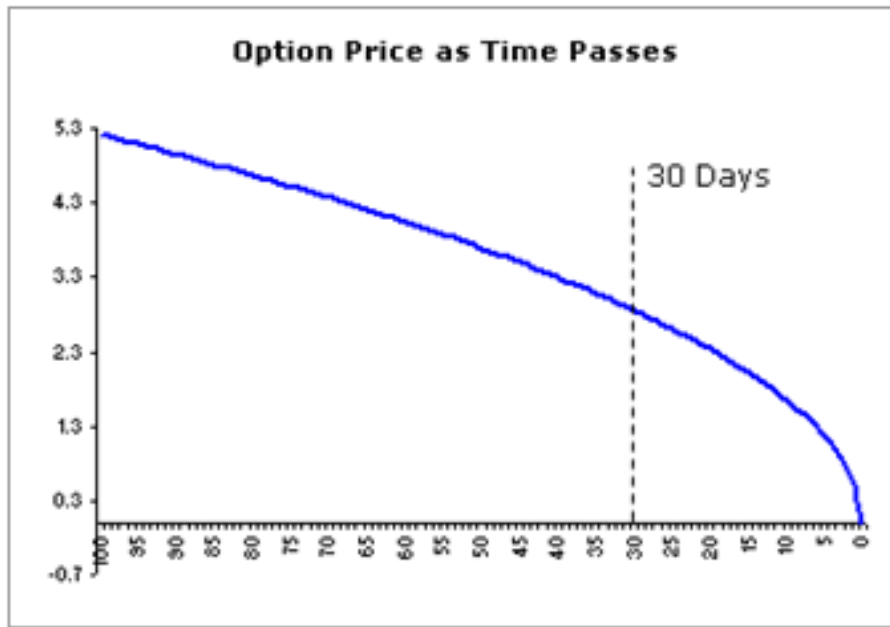


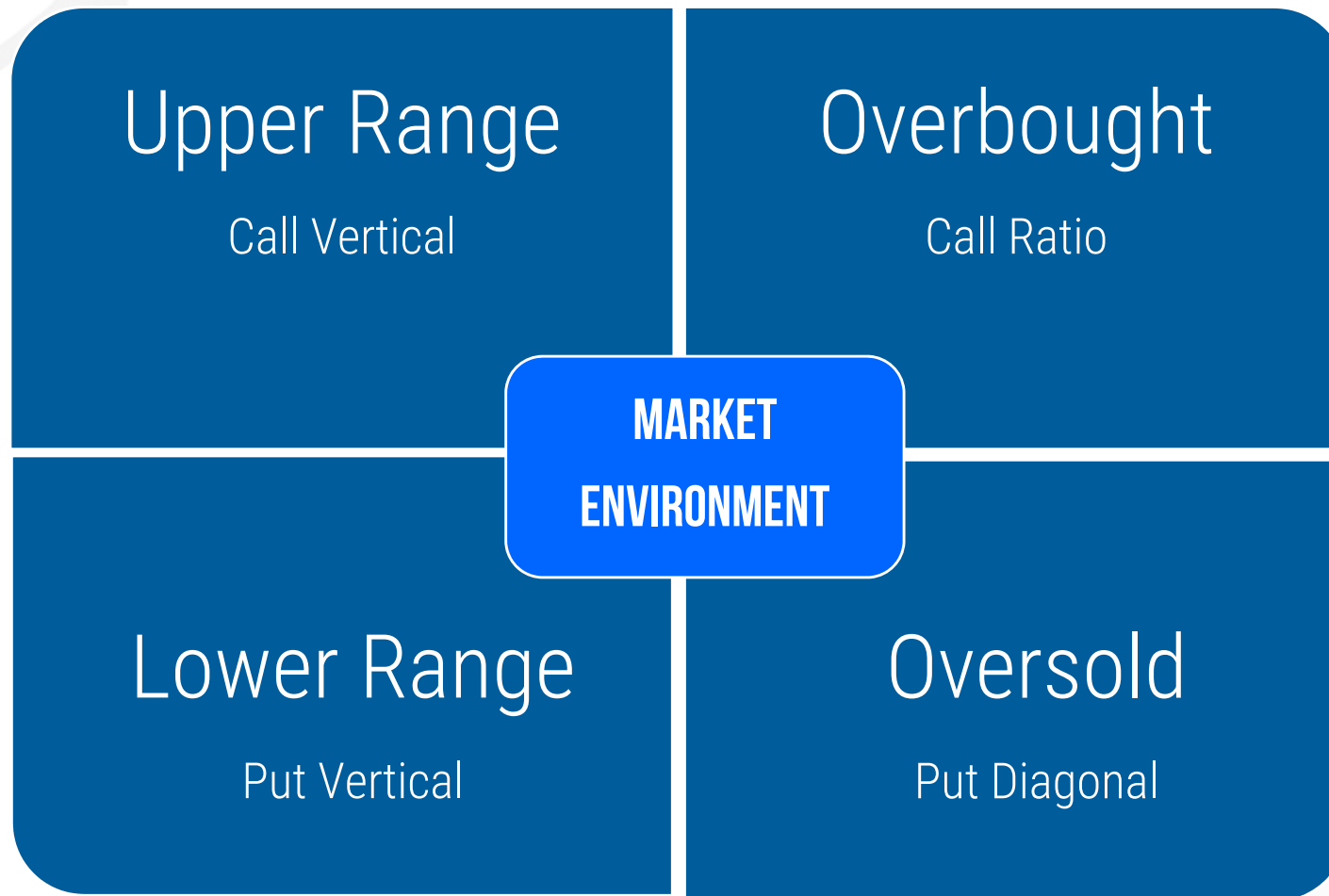
OPTION TIME DECAY CAN BE PROFITABLE EVEN IN STAGNANT MARKET CONDITIONS



- As options are expiring assets, the entire extrinsic value is exposed to time decay, which will, all else held equal, eat away at the value of an option every day.
- The amount of time decay will increase as the option approaches expiration.
- An option has no time value at expiration and is only worth its intrinsic value.

Option premium values can be affected by changes in volatility. Volatility can be unpredictable which may cause a high degree of risk for option sellers.

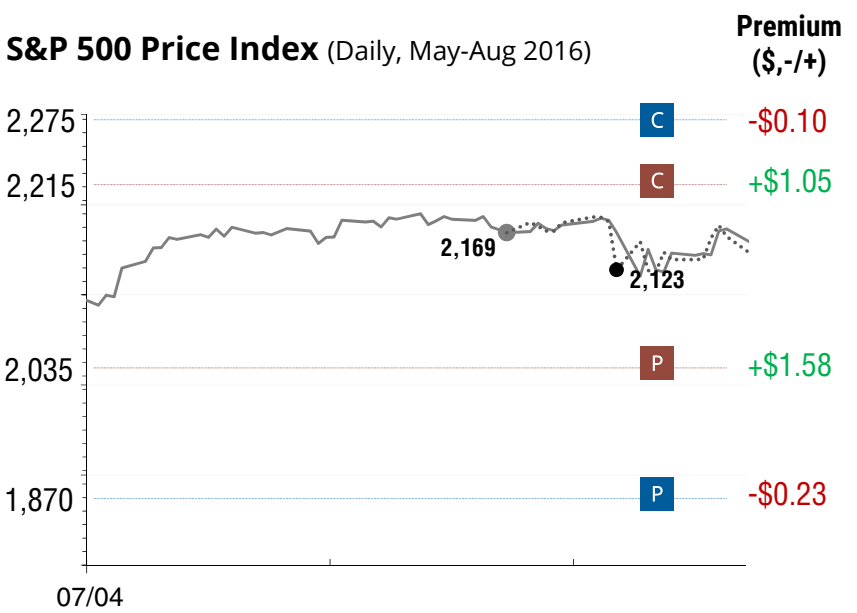
TRADE STRUCTURE IS DEPENDENT ON MARKET ENVIRONMENT



Of course, there is no guarantee that any investment strategy will achieve its objectives, generate profits or avoid losses.

IMPLEMENTATION EXAMPLE

- The S&P 500 (SPX) is at 2169 and we initiate a two week position on Aug. 26, 2016.
- Our models show a 97% probability that SPX will remain between 2,035 (-6.18%) and 2,215 (+2.12%) for the two weeks through Sep. 9, 2016.



Step 1 Provide the 'Insurance'

- C** We **Buy a Call** with a strike price of 2275 (we are protected if SPX goes above 2275)
- C** We **Sell a Call** with a strike price of 2215 (the buyer is protected if SPX goes above 2215)

Step 2 Hedge our position

- P** We **Sell a Put** with a strike price of 2035 (the buyer is protected if SPX goes below 2035)
- P** We **Buy a Put** with a strike price of 1870 (we are protected if SPX drops below 1870)

Pro's

- Wide range of profitability
- Profitable in most downward markets
- Profitable in most upward markets

Con's

- Unprofitable in dramatic up or down markets

The above is a general illustration and does not represent actual trading results. Option strategies which are intended to limit losses may not be effective because of changes in market conditions and may make it impossible to execute such orders.

MANAGER BACKGROUND

Russell Kellites

Education

- Columbia University BS, Computer Science, *Cum Laude*, focus on Artificial Intelligence
- Columbia University MS, Computer Science, (matriculated) focus on Artificial Intelligence
- Columbia University MBA, major in Finance and Accounting

Work

- Goldman Sachs & Co, Associate
- Merrill Lynch & Co, Vice President
- Theta Capital Partners, Managing Director

SUMMARY & HOW TO INVEST

Three Reasons to Invest:

- 1 Seeks equity-like returns with lower volatility and drawdown in all markets.
- 2 Quantitative approach targets disciplined performance.
- 3 Highly experienced manager with track record since 2008.

How to Invest:


Share Class	Ticker	Minimum Investment	Net Expense*
Institutional	HMXIX	\$2,500	1.99%
Class A	HMXAX	\$2,500	2.24%
Class C	HMXCX	\$2,500	2.99%

*The advisor has contractually agreed to waive fees and/or reimburse expenses to maintain the Fund's total annual operating expense ratio at 1.99% excluding 12b-1 fees through October 31, 2017. Estimated gross expense ratios excluding acquired fund fees and expenses for the current fiscal year are 2.35%, 3.10% and 2.10% for the A, C and I shares, respectively.

ADDITIONAL INFORMATION

For more information, please do not hesitate to contact us or visit www.AlphaCentricFunds.com

 **info@alphacentricfunds.com**

 **(844) 223 - 8637**

 **Address**

Advisor Services

AlphaCentric Advisors LLC
36 North New York Avenue, Floor 2
Huntington, NY 11743

General/Shareholder Inquiries

c/o Gemini Funds
PO Box 541150
Omaha, NE 68154-1150

GLOSSARY

S&P 500 Index: A market capitalization-weighted index that is used to represent the U.S. large-cap stock market.

S&P GSCI Index: A broad-based and production weighted index designed to represent the global commodity market beta.

MSCI World Index: Represents large and mid-cap equity performance across 23 developed markets countries, covering approximately 85% of the free float-adjusted market capitalization in each.

MSCI Emerging Markets Index: Represents large and mid-cap equity performance across emerging market countries, covering approximately 85% of the free flat-adjusted market capitalization in each.

NAREIT Index: A comprehensive benchmark of publicly traded equity REITs listed in both developed and emerging markets.

IQ Hedge Long/Short Beta Index: Attempts to replicate the risk-adjusted return characteristics of the collective hedge funds using a long/short equity investment style.

Barclays U.S. Aggregate Bond Index: A market capitalization weighted index that tracks the performance of the investment grade, U.S. dollar-denominated, fixed-rate taxable bond market.

Sharpe Ratio: A risk-adjusted measure of a fund's performance that indicates a fund's return per unit of risk, defining risk as volatility (standard deviation).

Alpha: A measure of the difference between a fund's actual returns and its expected performance, given its level of risk as measured by beta.

Beta: A measure of a fund's sensitivity to market movements.

Correlation: A statistical measure of how two securities move in relation to each other.

Maximum Drawdown: A measure of the maximum loss from a peak to a trough of a portfolio or index, before a new peak is attained.