



**ALPHACENTRIC ASSET ROTATION FUND**

Class A: ROTAX Class C: ROTCX Class I: ROTIX

**ALPHACENTRIC INCOME OPPORTUNITIES FUND**

Class A: IOFAX Class C: IOFCX Class I: IOFIX

**ALPHACENTRIC BOND ROTATION FUND**

Class A: BDRAX Class C: BDRCX Class I: BDRIX

**ALPHACENTRIC HEDGED MARKET OPPORTUNITY FUND**

Class A: HMXAX Class C: HMXCX Class I: HMXIX

**ALPHACENTRIC GLOBAL INNOVATIONS FUND**

Class A: GNXAX Class C: GNXCX Class I: GNXIX

**PROSPECTUS  
AUGUST 1, 2018**

This Prospectus provides important information about the Funds that you should know before investing. Please read it carefully and keep it for future reference.

The Securities and Exchange Commission and the Commodity Futures Trading Commission have not approved or disapproved these securities or determined if this Prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

**TABLE OF CONTENTS**

**FUND SUMMARY: ALPHACENTRIC ASSET ROTATION FUND ..... 1**  
**FUND SUMMARY: ALPHACENTRIC INCOME OPPORTUNITIES FUND ..... 6**  
**FUND SUMMARY: ALPHACENTRIC BOND ROTATION FUND ..... 16**  
**FUND SUMMARY: ALPHACENTRIC HEDGED MARKET OPPORTUNITY FUND..... 22**  
**FUND SUMMARY: ALPHACENTRIC GLOBAL INNOVATIONS FUND.....29**  
**ADDITIONAL INFORMATION ABOUT THE FUNDS’ PRINCIPAL INVESTMENT**  
**STRATEGIES AND RELATED RISKS.....30**  
**HOW TO BUY SHARES..... 68**  
**HOW TO REDEEM SHARES.....75**  
**DISTRIBUTION PLANS ..... 77**  
**VALUING THE FUNDS’ ASSETS ..... 78**  
**DIVIDENDS, DISTRIBUTIONS AND TAXES .....78**  
**MANAGEMENT OF THE FUNDS.....79**  
**FINANCIAL HIGHLIGHTS ..... 88**  
**APPENDIX A: INTERMEDIARY SPECIFIC SALES CHARGE REDUCTIONS AND**  
**WAIVERS ..... 89**  
**PRIVACY NOTICE.....90**  
**FOR MORE INFORMATION ..... 100**

## FUND SUMMARY: ALPHACENTRIC ASSET ROTATION FUND

**Investment Objective:** The Fund's objective is to achieve long-term capital appreciation.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts on purchases of Class A shares if you and your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and is included in the section of the Fund's prospectus entitled **How to Buy Shares** on page 66 and **Appendix A – Intermediary-Specific Sales Charge Reductions and Waivers**, and in the sections of the Fund's Statement of Additional Information entitled **Reduction of Up-Front Sales Charge on Class A Shares** on page 68 and **Waiver of Up-Front Sales Charge on Class A Shares** on page 68.

<b>Shareholder Fees</b> (fees paid directly from your investment)	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)</b>	<b>5.75%</b>	<b>None</b>	<b>None</b>
<b>Maximum Deferred Sales Charge (Load)</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Maximum Sales Charge (Load) Imposed on Reinvested Dividends and other Distributions</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Redemption Fee</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)			
<b>Management Fees</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>
<b>Distribution and/or Service (12b-1) Fees</b>	<b>0.25%</b>	<b>1.00%</b>	<b>None</b>
<b>Other Expenses</b>	<b>0.95%</b>	<b>0.95%</b>	<b>0.95%</b>
<b>Acquired Fund Fees and Expenses<sup>1</sup></b>	<b>0.23%</b>	<b>0.23%</b>	<b>0.23%</b>
<b>Total Annual Fund Operating Expenses</b>	<b>2.68%</b>	<b>3.43%</b>	<b>2.43%</b>
<b>Fee Waiver and/or Expense Reimbursement<sup>2</sup></b>	<b>(0.96)%</b>	<b>(0.96)%</b>	<b>(0.96)%</b>
<b>Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement</b>	<b>1.72%</b>	<b>2.47%</b>	<b>1.47%</b>

<sup>1</sup>Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. The Total Annual Fund Operating Expenses in this fee table will not correlate to the expense ratio in the Fund's Financial Highlights because the financial statements include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in other investment companies.

<sup>2</sup>The Fund's Advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit total annual fund operating expenses (excluding certain expenses including brokerage costs; underlying fund expenses; borrowing costs, such as (a), interest and (b) dividends on securities sold short; taxes; and, extraordinary expenses) at 1.49%, 2.24%, and 1.24% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2019. This agreement may only be terminated by the Fund's Board of Trustees on 60 days' written notice to the Advisor, by the Advisor with the consent of the Board and upon the termination of the Management Agreement between the Trust and the Advisor. Fee waivers and expense reimbursements are subject to possible recoupment by the Advisor from the Fund in future years on a rolling three-year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the lesser of the expense limitation in place at the time of waiver/reimbursement and the expense limitation in place at the time of recapture.

**Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>YEAR</b>	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>1</b>	\$740	\$250	\$150
<b>3</b>	\$1,274	\$965	\$666

5	\$1,833	\$1,702	\$1,209
10	\$3,348	\$3,648	\$2,693

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund's performance. The portfolio turnover rate of the Fund for the fiscal year ended March 31, 2018 was 494% of the average value of its portfolio.

**Principal Investment Strategies:**

The Fund attempts to achieve its objective by investing in a portfolio of global asset class exchange traded Funds ("ETFs"). The ETFs that may be held in the portfolio include those that invest in U.S. equities of any market capitalization, foreign (including emerging markets) equities of any market capitalization, U.S. Treasury securities, and cash and cash equivalents. The Fund, through tactical adjustments to its allocation between ETFs that invest in equities and ETFs that invest in U.S. Treasury securities, cash and cash equivalents, seeks to generate superior risk-adjusted returns and limit the size of the drawdown of the Fund's portfolio in relation to the size of the drawdowns that can be incurred by a 100% stock allocation. A drawdown is the peak-to-trough decline during a specific record period of an investment.

The Sub-Advisor uses a rules-based approach to select global asset class ETFs for the Fund. The Fund will generally hold one to five ETFs depending on the relative strength of the asset classes represented by the ETFs relative to each other and relative to cash or cash equivalents. The ETFs are ranked according to a relative strength score using proprietary formulas that take into account the price movement and volatility of each ETF. Assets will be rotated and more concentrated in the areas of highest relative strength. The Fund actively trades its portfolio investments, which may lead to higher transaction costs that may affect the Fund's performance.

**Principal Risks of Investing in the Fund:**

As with any mutual fund, there is no guarantee that the Fund will achieve its objective. Investment markets are unpredictable, and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. The Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant.

The following summarizes the principal risks of investing in the Fund. These risks could adversely affect the net asset value, total return and the value of the Fund and your investment.

**Acquired Fund Risk.** Because the Fund may invest in other investment companies such as ETFs, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds involves certain additional expenses and certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Emerging Markets.** Investing in emerging markets involves not only the risks described below with respect to investing in foreign securities, but also other risks, including exposure to economic structures that are generally less diverse and mature, and to

political systems that can be expected to have less stability, than those of developed countries. The typically small size of the markets of securities of issuers located in emerging markets and the possibility of a low or nonexistent volume of trading in those securities may also result in a lack of liquidity and in price volatility of those securities.

**Fixed Income Risk.** When the Fund invests in fixed income securities (U.S. Treasuries), the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities.

**Foreign Securities Risk.** Since the Fund's investments may include foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. Foreign companies are generally not subject to the same regulatory requirements of U.S. companies thereby resulting in less publicly available information about these companies. In addition, foreign accounting, auditing and financial reporting standards generally differ from those applicable to U.S. companies.

**Management Risk.** The portfolio manager's judgments about the attractiveness, value and potential appreciation of particular stocks or other securities in which the Fund invests may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results.

**Market Risk.** Overall stock market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Regulatory Risk:** Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund.

**Security Risk.** The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

**Small and Mid Capitalization Stock Risk.** To the extent the Fund invests in the stocks of small and mid-sized companies, the Fund may be subject to additional risks, including the risk that earnings and prospects of these companies are more volatile than larger companies.

**Tracking Risk of ETFs.** Investment in the Fund should be made with the understanding that the ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices or sector they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

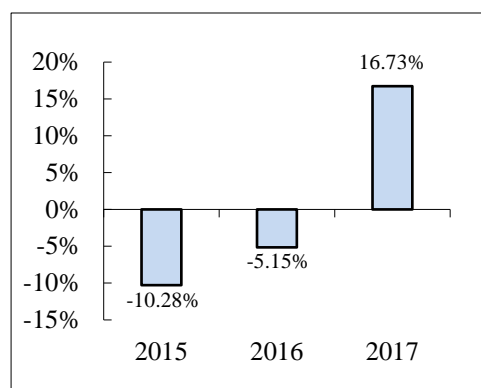
**Turnover Risk:** The Fund may have portfolio turnover rates significantly in excess of 100%. Increased portfolio turnover causes the Fund to incur higher brokerage costs,

which may adversely affect the Fund's performance and may produce increased taxable distributions.

### Performance:

The bar chart and accompanying table shown below provide an indication of the risks of investing in the Fund by showing the total return of its Class A shares for each full calendar year, and by showing how its average annual returns compare over time with those of a broad measure of market performance and supplemental index. Although Class C and Class I shares would have similar annual returns to Class A shares because the classes are invested in the same portfolio of securities, the returns for Class C and Class I shares would be different from Class A shares because Class C and Class I shares have different expenses than Class A shares. Sales charges are reflected in the information shown below in the table, but the information shown in the bar chart does not reflect sales charges, and, if it did, returns would be lower. How the Fund has performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at no cost by calling 1-844-ACFUNDS (844-223-8637).

### Annual Total Returns



During the period shown in the bar chart, the highest return for a quarter was 5.70% (quarter ended 12/31/17), and the lowest return for a quarter was (5.14)% (quarter ended 6/30/15). The Fund's Class A year-to-date return for the period ended June 30, 2018 was (2.60)%.

### Average Annual Total Returns (for the periods ended December 31, 2017)

	1 Year	Since Inception (July 31, 2014)
<b>Class A Shares</b>		
Return Before Taxes	10.07%	(0.31)%
Return After Taxes on Distributions	9.48%	(1.21)%
Return After Taxes on Distributions and Sale of Fund Shares	6.18%	(0.56)%
<b>Class C Shares</b>		
Return Before Taxes	15.84%	0.80%
<b>Class I Shares</b>		
Return Before Taxes	17.01%	1.67%
<b>S&amp;P 500 Index (reflects no deduction for fees, expenses or taxes)</b>	21.83%	12.33%

<b>MSCI World Index (reflects no deduction for fees, expenses or taxes)</b>	28.49%	1.43%
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After-tax returns are calculated using the highest historical individual federal marginal income tax rate and do not reflect the impact of state and local taxes. Actual after-tax returns depend on a shareholder's tax situation and may differ from those shown. After-tax returns are not relevant for shareholders who hold Fund shares in tax-deferred accounts or to shares held by non-taxable entities. After-tax returns are only shown for Class A shares. After-tax returns for other Share Classes will vary.

**Advisor:** AlphaCentric Advisors LLC is the Fund's investment advisor (the "Advisor").

**Sub-Advisor:** Keystone Wealth Advisors LLC is the Fund's investment sub-advisor (the "Sub-Advisor").

**Portfolio Managers:** Gordon Nelson, Chief Investment Strategist of the Sub-Advisor, and Tyler Vanderbeek, Portfolio Manager of the Sub-Advisor, serve as the Fund's portfolio managers. Mr. Nelson is the lead portfolio manager of the Fund. Mr. Nelson and Mr. Vanderbeek have served the Fund in these capacities since the Fund commenced operations in 2014.

**Purchase and Sale of Fund Shares:** The minimum initial investment in each share class of the Fund is \$2,500 for a regular account, \$2,500 for an IRA account, or \$100 for an automatic investment plan account. The minimum subsequent investment in the Fund is \$100. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open. Redemption requests may be made in writing, by telephone or through a financial intermediary to the Fund or the Transfer Agent and will be paid by check or wire transfer.

**Tax Information:** Dividends and capital gain distributions you receive from the Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are taxable to you at either ordinary income or capital gains tax rates unless you are investing through a tax-deferred plan such as an IRA or 401(k) plan. If you are investing in a tax-deferred plan, distributions may be taxable upon withdrawal from the plan.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## FUND SUMMARY: ALPHACENTRIC INCOME OPPORTUNITIES FUND

**Investment Objective:** The Fund's objective is current income.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts on purchases of Class A shares if you and your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and is included in the section of the Fund's prospectus entitled **How to Buy Shares** on page 66 and **Appendix A – Intermediary-Specific Sales Charge Reductions and Waivers**, and in the sections of the Fund's Statement of Additional Information entitled **Reduction of Up-Front Sales Charge on Class A Shares** on page 68 and **Waiver of Up-Front Sales Charge on Class A Shares** on page 68.

<b>Shareholder Fees</b> (fees paid directly from your investment)	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)</b>	<b>4.75%</b>	<b>None</b>	<b>None</b>
<b>Maximum Deferred Sales Charge (Load)</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Maximum Sales Charge (Load) Imposed on Reinvested Dividends and other Distributions</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Redemption Fee</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)			
<b>Management Fees</b>	<b>1.50%</b>	<b>1.50%</b>	<b>1.50%</b>
<b>Distribution and Service (12b-1) Fees</b>	<b>0.25%</b>	<b>1.00%</b>	<b>None</b>
<b>Other Expenses</b>	<b>0.19%</b>	<b>0.19%</b>	<b>0.19%</b>
<b>Interest/Dividend Expense</b>	<b>0.03%</b>	<b>0.03%</b>	<b>0.03%</b>
<b>Total Annual Fund Operating Expenses</b>	<b>1.97%</b>	<b>2.72%</b>	<b>1.72%</b>
<b>Fee Waiver and/or Expense Reimbursement <sup>1</sup></b>	<b>(0.20)%</b>	<b>(0.20)%</b>	<b>(0.20)%</b>
<b>Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement</b>	<b>1.77%</b>	<b>2.52%</b>	<b>1.52%</b>

<sup>1</sup> The Fund's advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit total annual fund operating expenses (excluding brokerage costs; underlying fund expenses; borrowing costs such as (a) interest and (b) dividends on securities sold short; taxes; and, extraordinary expenses) at 1.74%, 2.49% and 1.49% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2019. This agreement may only be terminated by the Fund's Board of Trustees on 60 days' written notice to the advisor, by the advisor with the consent of the Board and upon the termination of the Management Agreement between the Trust and the advisor. Fee waivers and expense reimbursements are subject to possible recoupment by the advisor from the Fund in future years on a rolling three-year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the lesser of the expense limitation in place at the time of waiver/reimbursement and the expense limitation in place at the time of recapture.

**Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>YEAR</b>	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>1</b>	\$646	\$255	\$155
<b>3</b>	\$1,046	\$825	\$522
<b>5</b>	\$1,469	\$1,422	\$915



**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund's performance. The portfolio turnover rate of the Fund for the fiscal year ended March 31, 2018 was 31% of the average value of its portfolio.

### **Principal Investment Strategies:**

The Fund seeks to achieve its investment objective by primarily investing in asset-backed fixed income securities, such as securities backed by credit card receivables, automobiles, aircraft, student loans, equipment leases, and agency and non-agency residential and commercial mortgages. Asset-backed securities in which the Fund may invest also include collateralized debt obligations ("CDOs"), collateralized loan obligations ("CLOs") and privately-offered collateralized loans. The allocation of the Fund's investments in these various asset classes depends on the view of the Fund's investment sub-advisor, Garrison Point Capital, LLC ("Garrison Point"), as to which asset classes offer the best risk-adjusted values in the marketplace at a given time. However, the Fund expects to focus its investments in non-agency residential mortgage backed securities. Under normal circumstances, the Fund invests over 25% of its assets in residential mortgage-backed securities (agency and non-agency) and commercial mortgage-backed securities. The Fund may be 100% invested in debt securities.

The Fund may also invest in corporate debt securities; U.S. Treasury and agency securities; structured notes, real estate investment trusts ("REITs"), preferred stock, repurchase and reverse repurchase agreements; investment companies that invest in fixed income securities; and over-the-counter and exchange-traded derivative instruments. The Fund will use derivatives for hedging purposes. The Fund may hedge against rising interest rates through interest rate swaps, interest rate-linked futures and options. The Fund may hedge against rising default rates through credit default swaps, total return swaps linked to an asset or asset class that is representative of the default risks faced by the Fund, and credit spread options. The Fund may also use one or more of these derivatives as a substitute for a security or asset class, in what is commonly known as a substitution hedge. In addition, the Fund may take short positions in exchange-traded funds ("ETFs") including inverse and leveraged ETFs to hedge interest rate and general market risks as well as to capitalize on an expected decline in security prices.

The Fund may invest in securities of any maturity or duration. The Fund does not limit its investments to a particular credit quality and may invest in distressed asset backed securities and other below investment grade securities (commonly referred to as "junk") without limitation. Below investment grade securities are those rated below Baa3 by Moody's Investor Services or equivalently by another nationally recognized statistical rating organization as well as non-rated securities. The Fund may hold up to 15% of its net assets in illiquid securities.

In selecting securities for investment, Garrison Point favors investments it believes are undervalued and have the potential to produce consistent returns in most interest rate environments. Garrison Point selects those securities for investment that it believes offer the best

risk/return opportunity based on its analyses of a variety of factors including collateral quality, duration, structure, excess interest, credit support, potential for greater upside and less downside capture, liquidity, and market conditions. Garrison Point attempts to diversify geographically and, with respect to asset backed securities, among the servicing institutions. The Fund intends to hold the securities in its portfolio until maturity but may sell the securities held in its portfolio when the opportunity to capture outsized returns exists, or when necessitated by asset flows into or out of the Fund.

The Fund is classified as "non-diversified" for purposes of the Investment Company Act of 1940 (the "1940 Act"), which means a relatively high percentage of the Fund's assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors.

The Fund's distribution policy is to make twelve monthly distributions to shareholders. The level of monthly distributions (including any return of capital) is not fixed and is not designed to generate, and is not expected to result in, distributions that equal a fixed percentage of the Fund's current net asset value per share. Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital. Shareholders should not assume that the source of a distribution from the Fund is net profit. For more information about the Fund's distribution policy, please turn to "Additional Information About the Fund's Principal Investment Strategies and Related Risks – Principal Investment Strategies – AlphaCentric Income Opportunities Fund Distribution Policy and Goals" section in the Fund's Prospectus.

### **Principal Risks of Investing in the Fund:**

As with any mutual fund, there is no guarantee that the Fund will achieve its objective. Investment markets are unpredictable, and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. The Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant.

The following summarizes the principal risks of investing in the Fund. These risks could adversely affect the net asset value, total return and the value of the Fund and your investment.

**Acquired Fund Risk.** Because the Fund may invest in other investment companies such as ETFs, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds involves certain additional expenses and certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Asset-Backed and Mortgage Backed Security Risk.** When the Fund invests in asset-backed securities and mortgage-backed securities, the Fund is subject to the risk that, if the underlying borrowers fail to pay interest or repay principal, the assets backing these securities may not be sufficient to support payments on the securities. Subordinate security classes (tranches) are highly sensitive to default and recovery rates on the underlying pool of assets because the more senior classes are generally entitled to receive payment before the subordinate classes. The liquidity of these assets may decrease over time.

**CDOs and CLOs Risk:** CDOs and CLOs are securities backed by an underlying portfolio of debt and loan obligations, respectively. CDOs and CLOs issue classes or “tranches” that vary in risk and yield and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and removal of subordinate tranches, market anticipation of defaults and investor aversion to CDO and CLO securities as a class. The risks of investing in CDOs and CLOs depend largely on the tranche invested in and the type of the underlying debts and loans in the tranche of the CDO or CLO, respectively, in which the Fund invests. CDOs and CLOs also carry risks including, but not limited to, interest rate risk and credit risk.

**Concentration Risk.** Concentration risk results from maintaining exposure to the performance of the residential and commercial mortgages held in the mortgage-backed securities in which the Fund will invest. The risk of concentrating in these types of investments is that the Fund will be susceptible to the risks associated with mortgage-backed securities as discussed above.

**Credit Default Swap Risk:** Credit default swaps ("CDS") are typically two-party financial contracts that transfer credit exposure between the two parties. Under a typical CDS, one party (the "seller") receives pre-determined periodic payments from the other party (the "buyer"). The seller agrees to make compensating specific payments to the buyer if a negative credit event occurs, such as the bankruptcy or default by the issuer of the underlying debt instrument. The use of CDS involves investment techniques and risks different from those associated with ordinary portfolio security transactions, such as potentially heightened counterparty, concentration and exposure risks.

**Credit Risk.** Credit risk is the risk that the issuer of a security and other instrument will not be able to make principal and interest payments when due. Credit risk may be substantial for the Fund, particularly with respect to the non-agency residential mortgage backed securities in which the Fund invests.

**Derivatives Risk.** The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities.

**Distribution Policy Risk.** The Fund’s distribution policy is not designed to generate, and is not expected to result in, distributions that equal a fixed percentage of the Fund’s current net asset value per share. *Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital (i.e., from your original*

*investment*). Shareholders should not assume that the source of a distribution from the Fund is net profit. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares.

**Fixed Income Securities Risk.** When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments). These risks could affect the value of a particular investment by the Fund, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

**Futures Risk.** The Fund's use of futures involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the futures contract may not correlate perfectly with the underlying index. Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on the Fund. This risk could cause the Fund to lose more than the principal amount invested. Futures contracts may become mispriced or improperly valued when compared to the adviser's expectation and may not produce the desired investment results. Additionally, changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

**Hedging Risk.** Hedging is a strategy in which the Fund uses securities or derivatives to reduce the risks associated with other Fund holdings. There can be no assurance that the Fund's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. The Fund is not required to use hedging and may choose not to do so.

**Industry Concentration Risk.** A Fund that concentrates its investments in an industry or group of industries is more vulnerable to adverse market, economic, regulatory, political or other developments affecting such industry or group of industries than a fund that invests its assets more broadly.

**Inverse ETF Risk.** Investments in inverse ETFs will prevent the Fund from participating in market-wide or sector-wide gains and may not prove to be an effective hedge. During periods of increased volatility, inverse ETFs may not perform in the manner they are designed.

**Junk Bond Risk.** Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for

these bonds and reduce the Fund's ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund's share price.

**Leverage Risk.** The use of leverage by the Fund, such as borrowing money to purchase securities or the use of options, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses.

**Leveraged ETF Risk.** Investing in leveraged ETFs will amplify the Fund's gains and losses. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

**Liquidity Risk.** Liquidity risk exists when particular investments of the Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

**Management Risk.** The portfolio manager's judgments about the attractiveness, value and potential appreciation of particular stocks or other securities in which the Fund invests or sells short may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results.

**Market Risk.** Overall market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Non-diversification Risk.** The Fund's portfolio may focus on a limited number of investments and will be subject to potential for volatility than a diversified fund.

**Options Market Risk.** Markets for options and options on futures may not always operate on a fair and orderly basis. At times, prices for options and options on futures may not represent fair market value and prices may be subject to manipulation, which may be extreme under some circumstances. The disfunction and manipulation of volatility and options markets may make it difficult for the fund to effectively implement its investment strategy and achieve its objectives and could potentially lead to significant losses.

**Options Risk.** There are risks associated with the Fund's options-based hedging strategy. This strategy involves the sale and purchase of call and put options on ETFs, indices, interest rates and volatility. Generally, options may not be an effective hedge because they may have imperfect correlation to the value of the Fund's portfolio securities. Additionally, the underlying reference instrument on which the option is based may have imperfect correlation to the value of the Fund's portfolio securities. As the buyer of a call option, the Fund risks losing the entire premium invested in the option if the underlying reference instrument does not rise above the strike price, which means the option will expire worthless. As the buyer of a put option, the Fund risks losing the entire premium invested in the option if the underlying reference instrument does not fall below the strike

price, which means the option will expire worthless. Additionally, purchased options may decline in value due to changes in price of the underlying reference instrument, passage of time and changes in volatility. As a seller (writer) of a put option, the Fund will lose money if the value of the underlying reference instrument falls below the strike price. As a seller (writer) of a call option, the Fund will lose money if the value of the underlying reference instrument rises above the strike price. The Fund's losses are potentially large in a written put transaction and potentially unlimited in an unhedged written call transaction. Option premiums are treated as short-term capital gains and when distributed to shareholders, are usually taxable as ordinary income, which may have a higher tax rate than long-term capital gains for shareholders holding Fund shares in a taxable account. Options are also subject to leverage and volatility risk, liquidity risk, tracking risk, and sub-strategy risk.

**Over-the-Counter (“OTC”) Trading Risk**—Certain of the derivatives in which the Fund may invest may be traded (and privately negotiated) in the OTC market. While the OTC derivatives market is the primary trading venue for many derivatives, it is largely unregulated. As a result and similar to other privately negotiated contracts, the Fund is subject to counterparty credit risk with respect to such derivative contracts.

**Preferred Stock Risk.** The value of preferred stocks will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of preferred stock. Preferred stocks are also subject to credit risk, which is the possibility that an issuer of preferred stock will fail to make its dividend payments.

**Prepayment and Extension Risk.** Prepayment risk is the risk that principal on a debt obligation may be repaid earlier than anticipated. Extension risk is the risk that an issuer will exercise its right to repay principal on a fixed rate obligation held by the Fund later than expected. Both prepayment and extension risks may impact the Fund's profits and/or require it to pay higher yields than were expected.

**Real Estate and REIT Risk.** The Fund is subject to the risks of the real estate market as a whole, such as taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate. These may include decreases in real estate values, overbuilding, rising operating costs, interest rates and property taxes. In addition, some real estate related investments are not fully diversified and are subject to the risks associated with financing a limited number of projects. Investing in REITs involves certain unique risks in addition to those associated with the real estate sector generally. REITs whose underlying properties are concentrated in a particular industry or region are also subject to risks affecting such industries and regions. REITs (especially mortgage REITs) are also subject to interest rate risks. By investing in REITs through the Fund, a shareholder will bear expenses of the REITs in addition to Fund expenses.

**Regulatory Risk:** Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund.

**Repurchase and Reverse Repurchase Agreements Risk:** The Fund may enter into repurchase agreements in which it purchases a security (known as the "underlying

security") from a securities dealer or bank. In the event of a bankruptcy or other default by the seller of a repurchase agreement, the Fund could experience delays in liquidating the underlying security and losses in the event of a decline in the value of the underlying security while the Fund is seeking to enforce its rights under the repurchase agreement. Reverse repurchase agreements involve the sale of securities held by the Fund with an agreement to repurchase the securities at an agreed-upon price, date and interest payment, and involve the risk that (i) the other party may fail to return the securities in a timely manner, or at all, and (ii) the market value of assets that are required to be repurchased decline below the purchase price of the asset that has to be sold, resulting in losses to the Fund.

**Security Risk.** The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

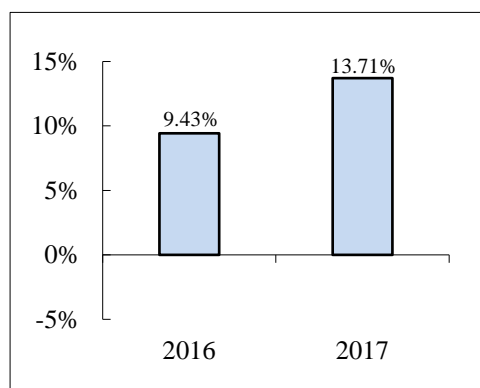
**Structured Note Risk.** Structured notes are subject to credit risk, default risk, adverse changes in the index or reference asset to which payments are linked, and may involve leverage risk.

**U.S. Agency Securities Risk.** The Fund may invest in U.S. government or agency obligations. Securities issued or guaranteed by federal agencies and U.S. government sponsored entities are not usually backed by the full faith and credit of the U.S. government.

**Volatility Risk.** Using derivatives that can create leverage, which can amplify the effects of market volatility on the Fund's share price and make the Fund's returns more volatile, which means that the Fund's performance may be subject to substantial short term changes up or down.

**Performance:** The bar chart and accompanying table shown below provide an indication of the risks of investing in the Fund by showing the total return of its Class A shares for each full calendar year, and by showing how its average annual returns compare over time with those of a broad measure of market performance. Although Class C and Class I shares would have similar annual returns to Class A shares because the classes are invested in the same portfolio of securities, the returns for Class C and Class I shares would be different from Class A shares because Class C and Class I shares have different expenses than Class A shares. Sales charges are reflected in the information shown below in the table, but the information shown in the bar chart does not reflect sales charges, and, if it did, returns would be lower. How the Fund has performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at no cost by calling 1-844-ACFUNDS (844-223-8637).

### **Annual Total Returns**



During the period shown in the bar chart, the highest return for a quarter was 5.59% (quarter ended 9/30/17), and the lowest return for a quarter was 0.28% (quarter ended 3/31/16). The Fund’s Class A year-to-date return for the period ended June 30, 2018 was 2.92%.

**Average Annual Total Returns  
(for the periods ended December 31, 2017)**

	<b>1 Year</b>	<b>Since Inception (5/28/15)</b>
<b>Class A Shares</b>		
Return Before Taxes	8.33%	10.96%
Return After Taxes on Distributions	6.15%	8.83%
Return After Taxes on Distributions and Sale of Fund Shares	4.65%	7.42%
<b>Class C Shares</b>		
Return Before Taxes	12.89%	12.27%
<b>Class I Shares</b>		
Return Before Taxes	14.04%	13.38%
<b>Bloomberg Barclays US Agg Bond Index (reflects no deduction for fees, expenses or taxes)</b>	3.54%	2.26%

After-tax returns are calculated using the highest historical individual federal marginal income tax rate and do not reflect the impact of state and local taxes. Actual after-tax returns depend on a shareholder’s tax situation and may differ from those shown. After-tax returns are not relevant for shareholders who hold Fund shares in tax-deferred accounts or to shares held by non-taxable entities. After-tax returns are only shown for Class A shares. After-tax returns for other Share Classes will vary.

**Advisor:** AlphaCentric Advisors LLC is the Fund’s investment advisor (the “Advisor”).

**Sub-Advisor:** Garrison Point Capital, LLC is the Fund's investment sub-advisor (the “Sub-Advisor”).

**Portfolio Managers:** Tom Miner, Principal and Portfolio Manager of the Sub-Advisor, Garrett Smith, Principal and Portfolio Manager of the Sub-Advisor, and Brian Loo, Portfolio Manager of the Sub-Advisor, are the Fund’s Portfolio Managers and are jointly and primarily responsible for the day to day management of the Fund's portfolio. They have served the Fund in this capacity since the Fund commenced operations in 2015.



**Purchase and Sale of Fund Shares:** The minimum initial investment in all share classes of the Fund is \$2,500 for regular and IRA accounts, and \$100 for an automatic investment plan account. The minimum subsequent investment in all share classes of the Fund is \$100. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open. Redemption requests may be made in writing, by telephone or through a financial intermediary to the Fund or the Transfer Agent and will be paid by check or wire transfer.

**Tax Information:** Dividends and capital gain distributions you receive from the Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are taxable to you at either ordinary income or capital gains tax rates unless you are investing through a tax-deferred plan such as an IRA or 401(k) plan. If you are investing in a tax-deferred plan, distributions may be taxable upon withdrawal from the plan.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## FUND SUMMARY: ALPHACENTRIC BOND ROTATION FUND

**Investment Objective:** The Fund's objective is to achieve long-term capital appreciation and total return.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts on purchases of Class A shares if you and your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and is included in the section of the Fund's prospectus entitled **How to Buy Shares** on page 66 and **Appendix A – Intermediary-Specific Sales Charge Reductions and Waivers**, and in the sections of the Fund's Statement of Additional Information entitled **Reduction of Up-Front Sales Charge on Class A Shares** on page 68 and **Waiver of Up-Front Sales Charge on Class A Shares** on page 68.

<b>Shareholder Fees</b> (fees paid directly from your investment)	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)</b>	<b>4.75%</b>	<b>None</b>	<b>None</b>
<b>Maximum Deferred Sales Charge (Load)</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Maximum Sales Charge (Load) Imposed on Reinvested Dividends and other Distributions</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Redemption Fee</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)			
<b>Management Fees</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>
<b>Distribution and/or Service (12b-1) Fees</b>	<b>0.25%</b>	<b>1.00%</b>	<b>None</b>
<b>Other Expenses</b>	<b>1.07%</b>	<b>1.07%</b>	<b>1.07%</b>
<b>Acquired Fund Fees and Expenses<sup>1</sup></b>	<b>0.36%</b>	<b>0.36%</b>	<b>0.36%</b>
<b>Total Annual Fund Operating Expenses</b>	<b>2.93%</b>	<b>3.68%</b>	<b>2.68%</b>
<b>Fee Waiver and/or Expense Reimbursement<sup>2</sup></b>	<b>(1.08)%</b>	<b>(1.08)%</b>	<b>(1.08)%</b>
<b>Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement</b>	<b>1.85%</b>	<b>2.60%</b>	<b>1.60%</b>

<sup>1</sup>Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. The Total Annual Fund Operating Expenses in this fee table will not correlate to the expense ratio in the Fund's Financial Highlights because the financial statements include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in other investment companies.

<sup>2</sup>The Fund's advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit total annual fund operating expenses (excluding certain expenses including brokerage costs; underlying fund expenses; borrowing costs, such as (a), interest and (b) dividends on securities sold short; taxes; and, extraordinary expenses) at 1.49%, 2.24% and 1.24% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2019. This agreement may only be terminated by the Fund's Board of Trustees on 60 days' written notice to the Advisor, by the Advisor with the consent of the Board and upon the termination of the Management Agreement between the Trust and the Advisor. Fee waivers and expense reimbursements are subject to possible recoupment by the Advisor from the Fund in future years on a rolling three-year basis (within the three years after the fees have been waived or reimbursed) if such recoupment can be achieved within the lesser of the expense limitation in place at the time of waiver/reimbursement and the expense limitation in place at the time of recapture.

**Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:

<b>YEAR</b>	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>1</b>	\$654	\$263	\$163
<b>3</b>	\$1,242	\$1,027	\$730

5	\$1,854	\$1,811	\$1,324
10	\$3,499	\$3,863	\$2,933

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund's performance. The portfolio turnover rate of the Fund for the fiscal year ended March 31, 2018 was 586% of the average value of its portfolio.

### **Principal Investment Strategies:**

The Fund attempts to achieve its objective by investing in a portfolio of global bond asset class exchange traded Funds ("ETFs"). The ETFs that may be held in the portfolio include those that invest in U.S. corporate bonds (including investment grade, high yield (also known as "junk" bonds), floating rate, and convertible bonds), foreign bonds (including developed and emerging markets sovereign debt), U.S. tax-free/municipal bonds (national, intermediate, high yield, and Build America), mortgage-backed securities and U.S. Government securities. The ETFs in which the Fund invests may invest in fixed income securities of any maturity, and the Fund seeks to be broadly diversified across bond asset classes, maturities, and geographical areas. The Fund, through tactical adjustments to its allocation between and among the ETFs that invest in these various bond asset classes, seeks to generate superior risk-adjusted total returns through various economic or interest rate environments. Under normal conditions, the Fund will invest at least 80% of the Fund's net assets plus any borrowings for investment purposes in bonds, which includes bond asset class ETFs.

The Sub-Advisor uses a rules-based approach to select global bond asset class ETFs for the Fund. The Fund will generally hold two to four ETFs depending on the relative strength of the asset classes represented by the ETFs relative to each other and relative to U.S. Treasury bond ETFs. The ETFs are ranked according to a relative strength score using proprietary formulas that take into account the price movement and volatility of each ETF. Assets will be rotated and more concentrated in the areas of highest relative strength. The Fund actively trades its portfolio investments, which may lead to higher transaction costs that may affect the Fund's performance.

### **Principal Risks of Investing in the Fund:**

As with any mutual fund, there is no guarantee that the Fund will achieve its objective. Investment markets are unpredictable, and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. The Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant.

The following summarizes the principal risks of investing in the Fund. These risks could adversely affect the net asset value, total return and the value of the Fund and your investment.

**Acquired Fund Risk.** Because the Fund may invest in other investment companies such as ETFs, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds involves certain additional expenses and

certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Convertible Bond Risk.** Convertible bonds are hybrid securities that have characteristics of both bonds and common stocks and are subject to fixed income security risks and conversion value-related equity risk. The market value of fixed income securities tends to decline as interest rates increase. An issuer may suffer a decline in credit quality or default on its payment obligations, which will cause a decline in the bond's price. The conversion value of a bond will decline as the issuer's stock price drops.

**Emerging Markets.** Investing in emerging markets involves not only the risks described below with respect to investing in foreign securities, but also other risks, including exposure to economic structures that are generally less diverse and mature, and to political systems that can be expected to have less stability, than those of developed countries. The typically small size of the markets of securities of issuers located in emerging markets and the possibility of a low or nonexistent volume of trading in those securities may also result in a lack of liquidity and in price volatility of those securities.

**Fixed Income Risk.** When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments). These risks could affect the value of a particular investment by the Fund, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

**Foreign Securities Risk.** Since the Fund's investments may include foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. Foreign companies are generally not subject to the same regulatory requirements of U.S. companies thereby resulting in less publicly available information about these companies. In addition, foreign accounting, auditing and financial reporting standards generally differ from those applicable to U.S. companies.

**Junk Bond Risk.** Lower-quality bonds, known as "high yield" or "junk" bonds, present greater risk than bonds of higher quality, including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds. The lack of a liquid market for these bonds could decrease the Fund's share price.

**Management Risk.** The portfolio manager's judgments about the attractiveness, value and potential appreciation of particular stocks or other securities in which the Fund invests or sells short may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results.

**Market Risk.** Overall bond market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Mortgage Backed Security Risk.** When the Fund invests in mortgage-backed securities, the Fund is subject to the risk that, if the underlying borrowers fail to pay interest or repay principal, the assets backing these securities may not be sufficient to support payments on the securities.

**Municipal Bond Risk.** The value of municipal bonds that depend on a specific revenue source or general revenue source to fund their payment obligations may fluctuate as a result of changes in the cash flows generated by the revenue source(s) or changes in the priority of the municipal obligation to receive the cash flows generated by the revenue source(s). In addition, changes in federal tax laws or the activity of an issuer may adversely affect the tax-exempt status of municipal bonds. The value of municipal debt may invest may be affected significantly by the economic, regulatory or political developments affecting the municipality that issued the debt. There is no guarantee that a municipal issuer will pay interest or repay principal.

**Real Estate Risk.** The Fund is subject to the risks of the real estate market as a whole, such as taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate. These may include decreases in real estate values, overbuilding, rising operating costs, interest rates and property taxes. In addition, some real estate related investments are not fully diversified and are subject to the risks associated with financing a limited number of projects.

**Regulatory Risk:** Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund.

**Security Risk.** The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

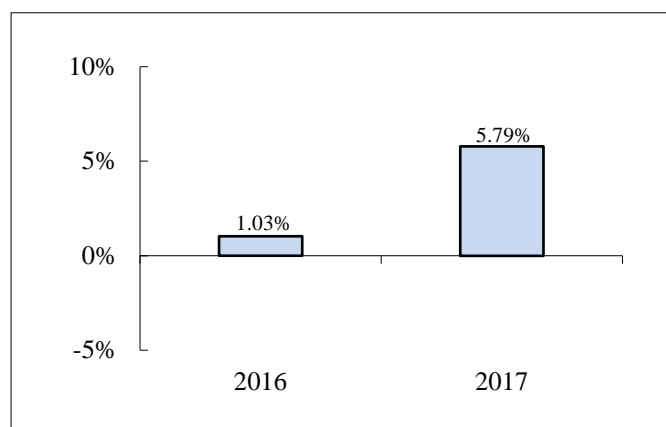
**Tracking Risk of ETFs.** Investment in the Fund should be made with the understanding that the ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices or sector they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

**Turnover Risk:** The Fund may have portfolio turnover rates significantly in excess of 100%. Increased portfolio turnover causes the Fund to incur higher brokerage costs, which may adversely affect the Fund's performance and may produce increased taxable distributions.

**U.S. Agency Securities Risk.** The Fund may invest in U.S. government or agency obligations. Securities issued or guaranteed by federal agencies and U.S. government sponsored entities may or may not be backed by the full faith and credit of the U.S. government.

**Performance:** The bar chart and accompanying table shown below provide an indication of the risks of investing in the Fund by showing the total return of its Class A shares for each full calendar year, and by showing how its average annual returns compare over time with those of a broad measure of market performance. Although Class C and Class I shares would have similar annual returns to Class A shares because the classes are invested in the same portfolio of securities, the returns for Class C and Class I shares would be different from Class A shares because Class C and Class I shares have different expenses than Class A shares. Sales charges are reflected in the information shown below in the table, but the information shown in the bar chart does not reflect sales charges, and, if it did, returns would be lower. How the Fund has performed in the past (before and after taxes) is not necessarily an indication of how it will perform in the future. Updated performance information is available at no cost by calling 1-844-ACFUNDS (844-223-8637).

### Annual Total Returns



During the period shown in the bar chart, the highest return for a quarter was 2.74% (quarter ended 3/31/17), and the lowest return for a quarter was (1.33)% (quarter ended 6/30/16). The Fund's Class A year-to-date return for the period ended June 30, 2018 was (2.54)%.

### Average Annual Total Returns (for the periods ended December 31, 2017)

	1 Year	Since Inception (5/28/15)
<b>Class A Shares</b>		
Return Before Taxes	0.81%	(1.09)%
Return After Taxes on Distributions	(0.30)%	(2.06)%
Return After Taxes on Distributions and Sale of Fund Shares	0.54%	(1.25)%
<b>Class C Shares</b>		
Return Before Taxes	5.00%	0.42%
<b>Class I Shares</b>		
Return Before Taxes	6.03%	1.06%
<b>Bloomberg Barclays US Agg Bond Index (reflects no deduction for fees, expenses or taxes)</b>	3.54%	2.26%

After-tax returns are calculated using the highest historical individual federal marginal income tax rate and do not reflect the impact of state and local taxes. Actual after-tax returns depend on

a shareholder's tax situation and may differ from those shown. After-tax returns are not relevant for shareholders who hold Fund shares in tax-deferred accounts or to shares held by non-taxable entities. After-tax returns are only shown for Class A shares. After-tax returns for other Share Classes will vary.

**Advisor:** AlphaCentric Advisors LLC is the Fund's investment advisor (the "Advisor").

**Sub-Advisor:** Keystone Wealth Advisors LLC is the Fund's investment sub-advisor (the "Sub-Advisor").

**Portfolio Managers:** Gordon Nelson, Chief Investment Strategist of the Sub-Advisor, and Tyler Vanderbeek, Portfolio Manager of the Sub-Advisor, serve as the Fund's portfolio managers. Mr. Nelson is the lead portfolio manager of the Fund. Mr. Nelson and Mr. Vanderbeek have served the Fund in these capacities since the Fund commenced operations in 2015.

**Purchase and Sale of Fund Shares:** The minimum initial investment in each share class of the Fund is \$2,500 for a regular account, \$2,500 for an IRA account, or \$100 for an automatic investment plan account. The minimum subsequent investment in the Fund is \$100. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open. Redemption requests may be made in writing, by telephone or through a financial intermediary to the Fund or the Transfer Agent and will be paid by check or wire transfer.

**Tax Information:** Dividends and capital gain distributions you receive from the Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are taxable to you at either ordinary income or capital gains tax rates unless you are investing through a tax-deferred plan such as an IRA or 401(k) plan. If you are investing in a tax-deferred plan, distributions may be taxable upon withdrawal from the plan.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## FUND SUMMARY: ALPHACENTRIC HEDGED MARKET OPPORTUNITY FUND

**Investment Objective:** The Fund's objective is to achieve long-term capital appreciation.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts on purchases of Class A shares if you and your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and is included in the section of the Fund's prospectus entitled **How to Buy Shares** on page 66 and **Appendix A – Intermediary-Specific Sales Charge Reductions and Waivers**, and in the sections of the Fund's Statement of Additional Information entitled **Reduction of Up-Front Sales Charge on Class A Shares** on page 68 and **Waiver of Up-Front Sales Charge on Class A Shares** on page 68.

<b>Shareholder Fees</b> (fees paid directly from your investment)	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)</b>	<b>5.75%</b>	<b>None</b>	<b>None</b>
<b>Maximum Deferred Sales Charge (Load)</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Maximum Sales Charge (Load) Imposed on Reinvested Dividends and other Distributions</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Redemption Fee</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)			
<b>Management Fees</b>	<b>1.75%</b>	<b>1.75%</b>	<b>1.75%</b>
<b>Distribution and Service (12b-1) Fees</b>	<b>0.25%</b>	<b>1.00%</b>	<b>0.00%</b>
<b>Other Expenses</b>	<b>0.71%</b>	<b>0.70%</b>	<b>0.79%</b>
<b>Interest/Dividend Expense</b>	<b>0.36%</b>	<b>0.35%</b>	<b>0.36%</b>
<b>Acquired Fund Fees and Expenses<sup>1</sup></b>	<b>0.01%</b>	<b>0.01%</b>	<b>0.01%</b>
<b>Total Annual Fund Operating Expenses</b>	<b>3.08%</b>	<b>3.81%</b>	<b>2.91%</b>
<b>Fee Waiver and/or Expense Reimbursement<sup>2</sup></b>	<b>(0.47)%</b>	<b>(0.46)%</b>	<b>(0.44)%</b>
<b>Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement</b>	<b>2.61%</b>	<b>3.35%</b>	<b>2.47%</b>

<sup>1</sup>Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. The total annual fund operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial highlights because the financial statements include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in other investment companies.

<sup>2</sup>The Fund's Advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit operating expenses (excluding brokerage costs; underlying fund expenses; borrowing costs such as (a) interest and (b) dividends on securities sold short; taxes and, extraordinary expenses) at 2.24%, 2.99% and 1.99% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2019. This agreement may only be terminated by the Fund's Board of Trustees on 60 days' written notice to the advisor and upon the termination of the Management Agreement between the Trust and the advisor. Fee waivers and expense reimbursements are subject to possible recoupment by the advisor from the Fund in future years on a rolling three-year basis (within the three years after the fees have been waived or reimbursed)) if such recoupment can be achieved within the lesser of the expense limitation in place at the time of waiver/reimbursement and the expense limitation in place at the time of recapture.

**Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:



<u>YEAR</u>	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>1</b>	\$824	\$338	\$250
<b>3</b>	\$1,430	\$1,122	\$859
<b>5</b>	\$2,059	\$1,924	\$1,494
<b>10</b>	\$3,742	\$4,016	\$3,202

Portfolio Turnover: The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund's performance. The portfolio turnover rate of the Fund for the fiscal period ended March 31, 2018 was 0% of the average value of its portfolio.

### **Principal Investment Strategies:**

Under normal circumstances, the Fund invests primarily in (i) long and short call and put options on futures on the Standard & Poor's 500 Index (the "Index") and/or a security that represents the return of the Index (such as exchange traded funds like the SPDR Trust Series I units ("SPDRs")) or measures of market volatility (such as volatility exchange traded funds, which reflect the market's expected fluctuation (volatility)), (ii) cash and cash equivalents, including affiliated and unaffiliated money market funds, and (iii) other high-quality (AA or better) short-term (less than two years) fixed income securities such as U.S. Treasury securities.

The Fund invests mainly in options on futures on the Index, but may invest in other futures markets including agricultural products, metals, currencies, interest rates and other financial instruments, as well as equity and other financial indices. The Fund also buys and sells futures contracts themselves, and buys or sells options as hedging vehicles and to seek incremental gain.

The Fund's option strategy employs a systematic, rules-based program that seeks to achieve its investment objective in three ways: (1) Premium Collection – the Fund collects premiums on options it sells; (2) Volatility Trading – the Fund may enter into positions designed to hedge or profit from either an increase or a decrease in Index volatility; (3) Trend Following – the Fund may increase or decrease the balance of puts and calls based on trending market direction, however, in general, the strategy does not depend on a prediction of equity market direction, and is designed to produce returns that are not correlated with equity market returns.

The Fund seeks to hedge a portion of the risk associated with its investments by staggering the maturity dates of its option positions and by utilizing exchange-traded options guaranteed for settlement by the Options Clearing Corporation, a market clearinghouse. To further hedge against downward market movements, the Fund will purchase put options in a quantity roughly equal to the number of put options that it sells.

The Fund is classified as "non-diversified" for purposes of the Investment Company Act of 1940 (the "1940 Act"), which means that it is not limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

## **Principal Risks of Investing in the Fund:**

As with any mutual fund, there is no guarantee that the Fund will achieve its objective. Investment markets are unpredictable, and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. The Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant.

The following summarizes the principal risks of investing in the Fund. These risks could adversely affect the net asset value, total return and the value of the Fund and your investment.

**Acquired Fund Risk.** Because the Fund may invest in other investment companies, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds involves certain additional expenses and certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Cash or Cash Equivalents Risk:** At any time, the Fund may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

**Commodity Risk:** Investing in the commodities markets may subject the Fund to greater volatility than investments in traditional securities. Commodity prices may be influenced by unfavorable weather, animal and plant disease, geologic and environmental factors as well as changes in government regulation such as tariffs, embargoes or burdensome production rules and restrictions.

**Derivatives Risk.** The use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities.

**Fixed Income Risk.** When the Fund invests in fixed income securities, the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments).

These risks could affect the value of a particular investment by the Fund, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

**Futures Contract Risk.** The successful use of futures contracts draws upon the Advisor's skill and experience with respect to such instruments and are subject to special risk considerations. The primary risks associated with the use of futures contracts are (a) the imperfect correlation between the change in market value of the instruments held by the Fund and the price of the forward or futures contract; (b) possible lack of a liquid secondary market for a forward or futures contract and the resulting inability to close a forward or futures contract when desired; (c) losses caused by unanticipated market movements, which are potentially unlimited; (d) the Advisor's inability to predict correctly the direction of securities prices, interest rates, currency exchange rates and other economic factors; (e) the possibility that the counterparty will default in the performance of its obligations; and (f) if the Fund has insufficient cash, it may have to sell securities from its portfolio to meet daily variation margin requirements, and the Fund may have to sell securities at a time when it may be disadvantageous to do so.

**Hedging Risk.** Hedging is a strategy in which the Fund uses a derivative to reduce the risks associated with other Fund holdings. There can be no assurance that the Fund's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. The Fund is not required to use hedging at all times and may choose not to do so.

**Index Risk.** If the derivative is linked to the performance of an index, it will be subject to the risks associated with changes in that index.

**Leverage Risk.** Using derivatives like commodity futures and options to increase the Fund's combined long and short exposure creates leverage, which can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.

**Management Risk.** The portfolio manager's judgments about the attractiveness, value and potential appreciation of particular securities in which the Fund invests may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results.

**Market Risk.** Overall stock market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Non-diversification Risk.** Because a relatively high percentage of the Fund's assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors, the Fund's portfolio may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified fund.

**Options Market Risk.** Markets for options and options on futures may not always operate on a fair and orderly basis. At times, prices for options and options on futures may not represent fair market value and prices may be subject to manipulation, which

may be extreme under some circumstances. The disfunction and manipulation of volatility and options markets may make it difficult for the fund to effectively implement its investment strategy and achieve its objectives and could potentially lead to significant losses.

**Options Risk.** There are risks associated with the Fund's options-based strategy. This strategy involves the sale and purchase of call and put options on futures contracts. As the buyer of a call option, the Fund risks losing the entire premium invested in the option if the underlying reference instrument does not rise above the strike price, which means the option will expire worthless. As the buyer of a put option, the Fund risks losing the entire premium invested in the option if the underlying reference instrument does not fall below the strike price, which means the option will expire worthless. Additionally, purchased options may decline in value due to changes in price of the underlying reference instrument, passage of time and changes in volatility. As a seller (writer) of a put option, the Fund will lose money if the value of the underlying reference instrument falls below the strike price. As a seller (writer) of a call option, the Fund will lose money if the value of the underlying reference instrument rises above the strike price. The Fund's losses are potentially large in a written put transaction and potentially unlimited in an unhedged written call transaction. Option premiums are treated as short-term capital gains and when distributed to shareholders, are usually taxable as ordinary income, which may have a higher tax rate than long-term capital gains for shareholders holding Fund shares in a taxable account. Options are also subject to leverage and volatility risk, liquidity risk and tracking risk.

**Regulatory Risk:** Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund.

**Turnover Risk:** Increased portfolio turnover causes the Fund to incur higher brokerage costs, which may adversely affect the Fund's performance and may produce increased taxable distributions.

**U.S. Agency Securities Risk.** The Fund may invest in U.S. government or agency obligations. Securities issued or guaranteed by federal agencies and U.S. government sponsored entities may or may not be backed by the full faith and credit of the U.S. government.

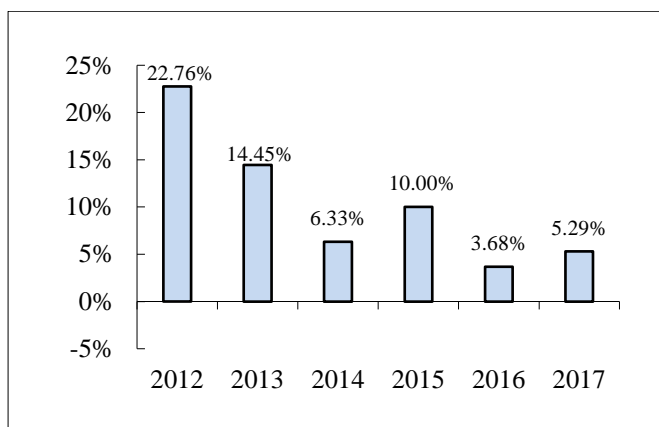
**Volatility Risk.** Using derivatives that can create leverage, which can amplify the effects of market volatility on the Fund's share price and make the Fund's returns more volatile, which means that the Fund's performance may be subject to substantial short term changes up or down.

## **Performance:**

The bar chart and performance table below show the variability of the Fund's returns, which is some indication of the risks of investing in the Fund. The bar chart shows performance of the Fund's Class I shares for each full calendar year since the Fund's inception. Although Class A

and C shares would have similar annual returns to Class I shares because the classes are invested in the same portfolio of securities, the returns for Class A and C shares would be different from Class I shares because Class A and C shares have different expenses than Class I shares. The performance table compares the performance of the Fund’s Class I shares over time to the performance of a broad-based market index. You should be aware that the Fund’s past performance (before and after taxes) may not be an indication of how the Fund will perform in the future. The Fund acquired all of the assets and liabilities of Theta Funds, L.P. (the “Predecessor Fund”) in a tax-free reorganization on September 30, 2016. In connection with this acquisition, shares of the Predecessor Fund were exchanged for Class I shares of the Fund, so the Predecessor Fund became the Class I shares of the Fund. The Fund’s investment objective, policies and guidelines are, in all material respects, equivalent to the Predecessor Fund’s investment objectives, policies and guidelines. The performance information set forth below reflects the historical performance of the Predecessor Fund shares.

### Annual Total Returns



Figures do not reflect sales charges. If they did, returns would be lower.

During the period shown in the bar chart, the highest return for a quarter was 7.22% (quarter ended 12/31/13), and the lowest return for a quarter was (4.58)% (quarter ended 12/31/14). The Fund’s Class I year-to-date return for the period ended June 30, 2018 was (10.59)%.

The following table shows the average annual returns for the Predecessor Fund which includes all of its actual fees and expenses over various periods ended December 31, 2017. The Predecessor Fund did not have a distribution policy. It was an unregistered limited partnership, did not qualify as a regulated investment company for federal income tax purposes and it did not pay dividends and distributions. As a result of the different tax treatment, we are unable to show the after-tax returns for the Predecessor Fund. The index information is intended to permit you to compare the Predecessor Fund’s performance to a broad measure of market performance.

### Average Annual Total Returns (For periods ended December 31, 2017)

Class I Shares	1 Year	5 Years	Since Inception (September 1, 2011)
Return Before Taxes	5.29%	7.88%	10.93%
Return After Taxes on Distributions	4.47%	7.71%	10.78%

Return After Taxes on Distributions and Sale of Fund Shares	3.50%	6.19%	8.80%
<b>S&amp;P 500 TR Index (reflects no deduction for fees, expenses or taxes)</b>	21.83%	15.79%	15.64%
<b>IQ Hedge Long/Short Beta Total Return Index (reflects no deduction for fees, expenses or taxes)</b>	11.96%	5.45%	5.71%
<b>Class A Shares</b>			<b>Since Inception (September 30, 2016)</b>
Return Before Taxes	(1.00)%	N/A	0.24%
<b>Class C Shares</b>			
Return Before Taxes	4.31%	N/A	4.38%
<b>S&amp;P 500 TR Index (reflects no deduction for fees, expenses or taxes)</b>	21.83%	15.79%	20.65%
<b>IQ Hedge Long/Short Beta Total Return Index (reflects no deduction for fees, expenses or taxes)</b>	11.96%	5.45%	8.30%

\* Includes the effect of performance fees paid by the investors of the Predecessor Fund.

After-tax returns are calculated using the highest historical individual federal marginal income tax rate and do not reflect the impact of state and local taxes. Actual after-tax returns depend on a shareholder's tax situation and may differ from those shown. After-tax returns are not relevant for shareholders who hold Fund shares in tax-deferred accounts or to shares held by non-taxable entities.

Updated performance information will be available at no cost by calling 1-844-ACFUNDS (844-223-8637) or visiting the Fund's website at [www.AlphaCentricFunds.com](http://www.AlphaCentricFunds.com).

**Advisor:** AlphaCentric Advisors LLC is the Fund's investment advisor (the "Advisor").

**Portfolio Manager:** Russell Kellites is the Fund's Portfolio Manager and is primarily responsible for the day to day management of the Fund's portfolio. He has served the Fund in this capacity since the Fund commenced operations in 2011.

**Purchase and Sale of Fund Shares:** The minimum initial investment in all share classes of the Fund is \$2,500 for regular and IRA accounts, and \$100 for an automatic investment plan account. The minimum subsequent investment in all share classes of the Fund is \$100. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open. Redemption requests may be made in writing, by telephone or through a financial intermediary to the Fund or the Transfer Agent and will be paid by check or wire transfer.

**Tax Information:** Dividends and capital gain distributions you receive from the Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are taxable to you at either ordinary income or capital gains tax rates unless you are investing through a tax-deferred plan such as an IRA or 401(k) plan. If you are investing in a tax-deferred plan, distributions may be taxable upon withdrawal from the plan.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary

and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## FUND SUMMARY: ALPHACENTRIC GLOBAL INNOVATIONS FUND

**Investment Objective:** The Fund’s investment objective is long-term capital appreciation.

**Fees and Expenses of the Fund:** This table describes the fees and expenses that you may pay if you buy and hold shares of the Fund. You may qualify for sales charge discounts on purchases of Class A shares if you and your family invest, or agree to invest in the future, at least \$50,000 in the Fund. More information about these and other discounts is available from your financial professional and is included in the section of the Fund's prospectus entitled **How to Buy Shares** on page 66 and “**Appendix A – Intermediary-Specific Sales Charge Reductions and Waivers**” and in the sections of the Fund's Statement of Additional Information entitled **Reduction of Up-Front Sales Charge on Class A Shares** on page 68 and **Waiver of Up-Front Sales Charge on Class A Shares** on page 68.

<b>Shareholder Fees</b> (fees paid directly from your investment)	<b>Class A</b>	<b>Class C</b>	<b>Class I</b>
<b>Maximum Sales Charge (Load) Imposed on Purchases (as a % of offering price)</b>	<b>5.75%</b>	<b>None</b>	<b>None</b>
<b>Maximum Deferred Sales Charge (Load)</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Maximum Sales Charge (Load) Imposed on Reinvested Dividends and other Distributions</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Redemption Fee</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Annual Fund Operating Expenses</b> (expenses that you pay each year as a percentage of the value of your investment)			
<b>Management Fees</b>	<b>1.25%</b>	<b>1.25%</b>	<b>1.25%</b>
<b>Distribution and Service (12b-1) Fees</b>	<b>0.25%</b>	<b>1.00%</b>	<b>0.00%</b>
<b>Other Expenses<sup>1</sup></b>	<b>0.80%</b>	<b>1.00%</b>	<b>1.51%</b>
<b>Acquired Fund Fees and Expenses<sup>1,2</sup></b>	<b>0.03%</b>	<b>0.03%</b>	<b>0.03%</b>
<b>Total Annual Fund Operating Expenses<sup>1</sup></b>	<b>2.33%</b>	<b>3.28%</b>	<b>2.79%</b>
<b>Fee Waiver and/or Expense Reimbursement<sup>3</sup></b>	<b>(0.65)%</b>	<b>(0.85)%</b>	<b>(1.36)%</b>
<b>Total Annual Fund Operating Expenses After Fee Waiver and/or Expense Reimbursement</b>	<b>1.68%</b>	<b>2.43%</b>	<b>1.43%</b>

<sup>1</sup> Estimated for the current fiscal year.

<sup>2</sup> Acquired Fund Fees and Expenses are the indirect costs of investing in other investment companies. The total annual fund operating expenses in this fee table will not correlate to the expense ratio in the Fund's financial highlights because the financial statements include only the direct operating expenses incurred by the Fund, not the indirect costs of investing in other investment companies.

<sup>3</sup> The Fund’s advisor has contractually agreed to waive fees and/or reimburse expenses of the Fund to the extent necessary to limit operating expenses (excluding front-end or contingent deferred loads, taxes, leverage interest, brokerage commissions, expenses incurred in connection with any merger or reorganization, dividend expense on securities sold short, underlying fund fees and expenses or extraordinary expenses, such as litigation) at 1.65%, 2.40% and 1.40% for Class A shares, Class C shares and Class I shares, respectively, through July 31, 2019. This agreement may only be terminated by the Fund's Board of Trustees on 60 days’ written notice to the Advisor; and upon the termination of the Management Agreement between the Trust and the Advisor. Fee waivers and expense reimbursements are subject to possible recoupment by the Advisor from the Fund in future years on a rolling three-year basis (within the three fiscal years after the fees have been waived or reimbursed) if such recoupment can be achieved within the lesser of the expense limitation in place at the time of waiver/reimbursement and the expense limitation in place at the time of recapture.

**Example:** This Example is intended to help you compare the cost of investing in the Fund with the cost of investing in other mutual funds. The Example assumes that you invest \$10,000 in the Fund for the time periods indicated, and then redeem all of your shares at the end of those periods. The Example also assumes that your investment has a 5% return each year and that the Fund's operating expenses remain the same. Although your actual costs may be higher or lower, based on these assumptions your costs would be:



<u>Year</u>	<u>Class A</u>	<u>Class C</u>	<u>Class I</u>
<b>1</b>	\$638	\$246	\$146
<b>3</b>	\$1109	\$931	\$736

**Portfolio Turnover:** The Fund pays transaction costs, such as commissions, when it buys and sells securities (or "turns over" its portfolio). A higher portfolio turnover may indicate higher transaction costs and may result in higher taxes when Fund shares are held in a taxable account. These costs, which are not reflected in annual fund operating expenses or in the Example, affect the Fund's performance. The portfolio turnover rate of the Fund for the fiscal period ended March 31, 2018 was 178% of the average value of its portfolio.

### **Principal Investment Strategies:**

The Fund seeks to achieve its investment objective by investing in a portfolio of U.S. and foreign common stock of companies involved in innovative and breakthrough technologies across multiple sectors. The Fund may invest without limit in companies located anywhere in the world and, under normal conditions, at least 40% of the Fund's assets will be in securities of issuers domiciled in at least 3 countries outside of the United States. The Fund expects to invest primarily in developed markets, but may also invest in emerging markets. The Fund may invest in any company with a market capitalization over \$50 million.

The Fund's sub-adviser, Pacific View Asset Management (the "Sub-Advisor") employs proprietary bottom up research to identify companies worldwide with innovation technologies, such as robotics and automation companies, and potential for long-term outperformance. The Fund's portfolio will be composed of companies with game changing technologies in sectors such as manufacturing, infrastructure, transportation, energy, healthcare, information technology, media and communications. The Fund will concentrate its investments (i.e., invest more than 25% of its assets) in the machinery and electrical equipment industries, collectively. After such innovative companies are identified, the companies are screened and only those companies meeting the Sub-Advisor's quantitative criteria are considered for investment. Companies are sold when the initial growth potential is no longer foreseeable.

When it deems appropriate, the Sub-Advisor may endeavor to hedge market risk by investing in inverse (short) exchange-traded funds ("ETFs"), market volatility-linked ETFs, and invest in cash and cash equivalents. These ETFs may be leveraged ETFs, which are designed to produce daily returns (before fees and expenses) that are a multiple of a reference index or asset. Depending on the Sub-Advisor's assessment of market conditions, the Sub-Advisor expects the Fund's net long market exposure (long positions net of non-speculative short positions intended as market hedges) may range from approximately zero to 100% of the Fund's net asset value ("NAV").

The Fund is classified as "non-diversified" for purposes of the Investment Company Act of 1940 (the "1940 Act"), which means that it is not limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

## **Principal Risks of Investing in the Fund:**

As with any mutual fund, there is no guarantee that the Fund will achieve its objective. Investment markets are unpredictable and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. The Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant.

The following summarizes the principal risks of investing in the Fund. These risks could adversely affect the net asset value, total return and the value of the Fund and your investment.

**Acquired Fund Risk.** Because the Fund may invest in other investment companies, the value of your investment will fluctuate in response to the performance of the acquired funds. Investing in acquired funds involves certain additional expenses and certain tax results that would not arise if you invested directly in the securities of the acquired funds.

**Cash or Cash Equivalents Risk:** When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

**Emerging Market Risk:** Emerging market countries may have relatively unstable governments, weaker economies, and less-developed legal systems with fewer security holder rights. Emerging market economies may be based on only a few industries and security issuers may be more susceptible to economic weakness and more likely to default. Emerging market securities also tend to be less liquid.

**Equity Security Risk.** Common and preferred stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Warrants and rights may expire worthless if the price of a common stock is below the conversion price of the warrant or right. Convertible bonds may decline in value if the price of a common stock falls below the conversion price. Investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction and global or regional political, economic and banking crises.

**Foreign Securities Risk.** Since the Fund's investments may include ADRs and foreign securities, the Fund is subject to risks beyond those associated with investing in domestic securities. The value of foreign securities is subject to currency fluctuations. Foreign companies are generally not subject to the same regulatory requirements of U.S. companies thereby resulting in less publicly available information about these companies. In addition, foreign accounting, auditing and financial reporting standards generally differ from those applicable to U.S. companies.

**Hedging Risk.** Hedging is a strategy in which the Fund uses a security derivative to reduce the risks associated with other Fund holdings. There can be no assurance that the Fund's hedging strategy will reduce risk or that hedging transactions will be either

available or cost effective. The Fund is not required to use hedging and may choose not to do so.

**Industry Concentration Risk.** A Fund that concentrates its investments in an industry or group of industries is more vulnerable to adverse market, economic, regulatory, political or other developments affecting such industry or group of industries than a fund that invests its assets more broadly.

**Inverse ETF Risk.** Investments in inverse ETFs will prevent the Fund from participating in market-wide or sector-wide gains and may not prove to be an effective hedge. During periods of increased volatility, inverse ETFs may not perform in the manner they are designed.

**Leveraged ETF Risk.** Investing in leveraged ETFs will amplify the Fund's gains and losses. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

**Machinery and Electrical Equipment Industry Risk.** The machinery and electrical equipment industries can be significantly affected by general economic trends, including employment, economic growth, and interest rates; changes in consumer sentiment and spending; overall capital spending levels, which are influenced by an individual company's profitability and broader factors such as interest rates and foreign competition; commodity prices; technical obsolescence; labor relations legislation; government regulation and spending; import controls; and worldwide competition. Companies in these industries also can be adversely affected by liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

**Management Risk.** The portfolio manager's judgments about the attractiveness, value and potential appreciation of particular securities in which the Fund invests may prove to be incorrect and there is no guarantee that the portfolio manager's judgment will produce the desired results.

**Market Risk.** Overall stock market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events affect the securities markets.

**Market Volatility-Linked ETFs Risk.** ETFs that are linked to market volatility have the risks associated with investing in futures. The ETF's use of futures involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the futures contract may not correlate perfectly with the underlying index. Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on the Fund. This risk could cause the ETF to lose more than the principal amount invested. Futures contracts may become mispriced or improperly valued when compared to the adviser's expectation and may not produce

the desired investment results. Additionally, changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

**Non-diversification Risk.** Because a relatively high percentage of the Fund's assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors, the Fund's portfolio may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified fund.

**Regulatory Risk:** Changes in the laws or regulations of the United States or other countries, including any changes to applicable tax laws and regulations, could impair the ability of the Fund to achieve its investment objective and could increase the operating expenses of the Fund.

**Security Risk.** The value of the Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio.

**Small and Medium Capitalization Stock Risk.** To the extent the Fund invests in the stocks of small and mid-sized companies, the Fund may be subject to additional risks. The earnings and prospects of these companies are more volatile than larger companies. These companies may experience higher failure rates than larger companies. Small and mid-sized companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures. Small and mid-sized companies may also have limited markets, product lines or financial resources and may lack management experience.

**Volatility Risk.** Using derivatives that can create leverage, which can amplify the effects of market volatility on the Fund's share price and make the Fund's returns more volatile, which means that the Fund's performance may be subject to substantial short term changes up or down.

**Performance:** Because the Fund is a new fund and does not yet have a full calendar year of investment operations, no performance information is presented for the Fund at this time. In the future, performance information will be presented in this section of this Prospectus. Updated performance information will be available at no cost by calling 1-844-ACFUNDS (844-223-8637) or visiting the Fund's website at [www.AlphaCentricFunds.com](http://www.AlphaCentricFunds.com).

**Advisor:** AlphaCentric Advisors LLC is the Fund's investment advisor (the "Advisor").

**Sub-Advisor:** Pacific View Asset Management, LLC is the Fund's investment sub-advisor.

**Portfolio Manager:** Brian Gahsman, Portfolio Manager of the Sub-Advisor's Global Innovations Team, is the Fund's Portfolio Manager and is primarily responsible for the day to day management of the Fund's portfolio. He has served the Fund in this capacity since the Fund commenced operations in 2017.

**Purchase and Sale of Fund Shares:** The minimum initial investment in all share classes of the Fund is \$2,500 for regular and IRA accounts, and \$100 for an automatic investment plan account. The minimum subsequent investment in all share classes of the Fund is \$100. You may purchase and redeem shares of the Fund on any day that the New York Stock Exchange is open. Redemption requests may be made in writing, by telephone or through a financial intermediary to the Fund or the Transfer Agent and will be paid by check or wire transfer.

**Tax Information:** Dividends and capital gain distributions you receive from the Fund, whether you reinvest your distributions in additional Fund shares or receive them in cash, are taxable to you at either ordinary income or capital gains tax rates unless you are investing through a tax-deferred plan such as an IRA or 401(k) plan. If you are investing in a tax-deferred plan, distributions may be taxable upon withdrawal from the plan.

**Payments to Broker-Dealers and Other Financial Intermediaries:** If you purchase the Fund through a broker-dealer or other financial intermediary (such as a bank), the Fund and its related companies may pay the intermediary for the sale of Fund shares and related services. These payments may create a conflict of interest by influencing the broker-dealer or other intermediary and your salesperson to recommend the Fund over another investment. Ask your salesperson or visit your financial intermediary's website for more information.

## **ADDITIONAL INFORMATION ABOUT THE FUNDS' PRINCIPAL INVESTMENT STRATEGIES AND RELATED RISKS**

### **INVESTMENT OBJECTIVES**

The investment objective of each Fund is non-fundamental and may be changed by the Board of Trustees without shareholder approval. If the Board decides to change a Fund's investment objective or the AlphaCentric Bond Rotation Fund's policy to invest at least 80% of the Fund's net assets plus any borrowings for investment purposes in bonds, shareholders will be given 60 days' advance notice.

<b>Fund</b>	<b>Investment Objective</b>
AlphaCentric Asset Rotation Fund	The Fund's objective is to achieve long-term capital appreciation.
AlphaCentric Income Opportunities Fund	The Fund's objective is current income.
AlphaCentric Bond Rotation Fund	The Fund's objective is to achieve long-term capital appreciation and total return.
AlphaCentric Hedged Market Opportunity Fund	The Fund's investment objective is long-term capital appreciation.
AlphaCentric Global Innovations Fund	The Fund's investment objective is long-term capital appreciation.

### **PRINCIPAL INVESTMENT STRATEGIES**

Each Fund’s main investment strategies are discussed in the Summary Section for the Fund and are the strategies that the Advisor and/or Sub-Advisor believes are most likely to be important in trying to achieve the Fund’s investment objective. You should note, however, that each Fund may use other non-principal strategies and invest in other securities not described in this prospectus, which are disclosed in detail in the Fund’s Statement of Additional Information (“SAI”). For a copy of the SAI please call toll free at 1-844-ACFUNDS (844-223-8637) or visit the Funds’ website at [www.AlphaCentricFunds.com](http://www.AlphaCentricFunds.com).

### **AlphaCentric Asset Rotation Fund**

The Fund attempts to achieve its objective by investing in a portfolio of global asset class ETFs. Asset class ETFs that may be held in the portfolio include those that invest in U.S. equities of any market capitalization, foreign (including emerging markets) equities of any market capitalization, U.S. Treasury securities, and cash or cash equivalents. The Fund, through tactical adjustments to its allocation between ETFs that invest in equities and ETFs that invest in U.S. Treasury securities, cash and cash equivalents, seeks to generate superior risk-adjusted returns and limit the size of the drawdown of the Fund’s portfolio in relation to the size of the drawdowns that can be incurred by a 100% stock allocation. A drawdown is the peak-to-trough decline during a specific record period of an investment.

The Sub-Advisor uses a rules-based approach to select global asset class ETFs for the Fund. The Fund will generally hold one to five ETFs depending on the relative strength of the asset classes represented by the ETFs relative to each other and relative to cash or cash equivalents. The ETFs are ranked according to a relative strength score using proprietary formulas that take into account the price movement and volatility of each ETF. Assets will be rotated and more concentrated in the areas of highest relative strength. The Fund actively trades its portfolio investments, which may lead to higher transaction costs that may affect the Fund’s performance.

The Sub-Advisor’s proprietary methodology is based upon extensive, independent academic research. The theory behind the strategy is called “dual momentum”. The first piece of the strategy is relative momentum, which uses a mathematical, rules-based system to rank the major equity classes globally against each other (ETF versus peers). The second piece of the strategy is absolute momentum. In order for any of the global equity asset classes to be purchased or held they must demonstrate absolute momentum, meaning it must be stronger than the designated risk-free asset (i.e., cash, money market funds or cash equivalents).

### **AlphaCentric Income Opportunities Fund**

The Fund seeks to achieve its investment objective by primarily investing in asset-backed fixed income securities, such as securities backed by credit card receivables, automobiles, aircraft, student loans, equipment leases, and agency and non-agency residential and commercial mortgages. Asset-backed securities in which the Fund may invest also include collateralized debt obligations (“CDOs”), collateralized loan obligations (“CLOs”) and privately-offered collateralized loans. The allocation of the Fund’s investments in these various asset classes depends on the view of Garrison Point, as to which asset classes offer the best risk-adjusted values in the marketplace at a given time. However, the Fund expects to focus its investments in non-agency residential mortgage backed securities. Under normal circumstances, the Fund invests over 25% of its assets in residential mortgage-backed securities (agency and non-agency) and commercial mortgage-backed securities. The Fund may be 100% invested in debt securities.

The Fund may also invest in corporate debt securities; U.S. Treasury and agency securities; structured notes, real estate investment trusts (“REITs”), preferred stock, repurchase and reverse repurchase agreements; investment companies that invest in fixed income securities; and over-the-counter and exchange-traded derivative instruments. The Fund will use derivatives for hedging purposes. The Fund may hedge against rising interest rates through interest rate swaps, interest rate-linked futures and options. The Fund may hedge against rising default rates through credit default swaps, total return swaps linked to an asset or asset class that is representative of the default risks faced by the Fund, and credit spread options. The Fund may also use one or more of these derivatives as a substitute for a security or asset class, in what is commonly known as a substitution hedge. In addition, the Fund may take short positions in exchange-traded funds (“ETFs”) including inverse and leveraged ETFs to hedge interest rate and general market risks as well as to capitalize on an expected decline in security prices.

The Fund may invest in securities of any maturity or duration. The Fund does not limit its investments to a particular credit quality and may invest in distressed asset backed securities and other below investment grade securities (commonly referred to as “junk”) without limitation. Below investment grade securities are those rated below Baa3 by Moody's Investor Services or equivalently by another nationally recognized statistical rating organization as well as non-rated securities. The Fund may hold up to 15% of its net assets in illiquid securities.

In selecting securities for investment, Garrison Point favors investments it believes are undervalued and have the potential to produce consistent returns in most interest rate environments. Garrison Point selects those securities for investment that it believes offer the best risk/return opportunity based on its analyses of a variety of factors including collateral quality, duration, structure, excess interest, credit support, potential for greater upside and less downside capture, liquidity, and market conditions. Garrison Point attempts to diversify geographically and, with respect to asset backed securities, among the servicing institutions. The Fund intends to hold the securities in its portfolio until maturity but may sell the securities held in its portfolio when the opportunity to capture outsized returns exists, or when necessitated by asset flows into or out of the Fund.

The Fund’s distribution policy is to make twelve monthly distributions to shareholders. The level of monthly distributions (including any return of capital) is not fixed and is not designed to generate, and is not expected to result in, distributions that equal a fixed percentage of the Fund’s current net asset value per share. Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital. Shareholders should not assume that the source of a distribution from the Fund is net profit. For more information about the Fund’s distribution policy, please turn to “Additional Information About the Fund’s Principal Investment Strategies and Related Risks – Principal Investment Strategies – AlphaCentric Income Opportunities Fund Distribution Policy and Goals” section in the Fund’s Prospectus.

#### *Distribution Policy and Goals:*

The Fund’s distribution policy is to make monthly distributions to shareholders. All income will be distributed monthly regardless of whether such income will be treated as return of capital.

The Fund generally distributes to shareholders substantially all of its net income (for example, interest and dividends) as well as substantially all of its net capital gains (that is, long-term capital gains from the sale of portfolio securities and short-term capital gains from both the sale of portfolio securities and option premium earned). In addition, pursuant to its distribution policy, the Fund may make distributions that are treated as a return of capital. Return of capital is the portion of a distribution that is the return of your original investment dollars in the Fund. A return of capital is not taxable to a shareholder unless it exceeds a shareholder's tax basis in the shares.

Returns of capital reduce a shareholder's tax cost (or "tax basis"). Once a shareholder's tax basis is reduced to zero, any further return of capital would be taxable. Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital (i.e. from your original investment). Shareholders should not assume that the source of a distribution from the Fund is net profit. Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares. As required under the 1940 Act, the Fund will provide a notice to shareholders at the time of distribution when such distribution does not consist solely of net income. Additionally, each distribution payment will be accompanied by a written statement which discloses the source or sources of each distribution. The IRS requires you to report these amounts, excluding returns of capital, on your income tax return for the year declared. The Fund will provide disclosures, with each monthly distribution, that estimate the percentages of the current and year-to-date distributions that represent (1) net investment income, (2) capital gains and (3) return of capital. At the end of the year, the Fund may be required under applicable law to re-characterize distributions made previously during that year among (1) ordinary income, (2) capital gains and (3) return of capital for tax purposes. An additional distribution may be made in December, and other additional distributions may be made with respect to a particular fiscal year in order to comply with applicable law. Distributions declared in December, if paid to shareholders by the end of January, are treated for federal income tax purposes as if received in December.

The Fund is classified as "non-diversified" for purposes of the 1940 Act, which means a relatively high percentage of the Fund's assets may be invested in the securities of a single issuer.

### **AlphaCentric Bond Rotation Fund**

The Fund attempts to achieve its objective by investing in a portfolio of global bond asset class ETFs. The ETFs that may be held in the portfolio include those that invest in U.S. corporate bonds (including investment grade, high yield (also known as "junk" bonds), floating rate, and convertible bonds), foreign bonds (including developed and emerging markets sovereign debt), U.S. tax-free/municipal bonds (national, intermediate, high yield, and Build America), mortgage-backed securities and U.S. Government securities of various maturities. The Fund, through tactical adjustments to its allocation between and among the ETFs that invest in these various bond asset classes, seeks to generate superior risk-adjusted total returns through various economic or interest rate environments. Under normal conditions, the Fund will invest at least 80% of the Fund's net assets plus any borrowings for investment purposes in bonds, which includes bond asset class ETFs.



The Sub-Advisor uses a rules-based approach to select global bond asset class ETFs for the Fund. The Fund will generally hold two to four ETFs depending on the relative strength of the asset classes represented by the ETFs relative to each other and relative to U.S. Treasury bond ETFs. The ETFs are ranked according to a relative strength score using proprietary formulas that take into account the price movement and volatility of each ETF. Assets will be rotated and more concentrated in the areas of highest relative strength. The Fund actively trades its portfolio investments, which may lead to higher transaction costs that may affect the Fund's performance.

### **AlphaCentric Hedged Market Opportunity Fund**

Under normal circumstances, the Fund invests primarily in (i) long and short call and put options on futures on the Index and/or a security that represents the return of the Index (such as exchange traded funds like SPDRs) or measures of market volatility (such as volatility exchange traded funds), (ii) cash and cash equivalents, including affiliated and unaffiliated money market funds, and (iii) other high-quality short-term fixed income securities such as U.S. Treasury securities. Call and put options give you the right to buy (call) or sell (put), in exchange for a premium, certain underlying securities at specified prices, known as strike prices, before predetermined expiration dates. Buyers of option contracts are long, while sellers or writers of option contracts are short. The buyers believe the price of the underlying security will go down; whereas, sellers believe the price of the underlying security will go up. The Fund seeks capital appreciation over the long-term.

The Fund invests mainly in options on futures on the Index, but may invest in other futures markets including agricultural products, metals, currencies, interest rates and other financial instruments, as well as equity and other financial indices. The Fund also buys and sells futures contracts themselves, and buys or sells options as hedging vehicles and to seek incremental gain.

The Fund's option strategy employs a systematic, rules-based program that seeks to achieve its investment objective in three ways: (1) Premium Collection – the Fund collects premiums on options it sells; (2) Volatility Trading – the Fund may enter into positions designed to hedge or profit from either an increase or a decrease in Index volatility; (3) Trend Following – the Fund may increase or decrease the balance of puts and calls based on trending market direction, however, in general, the strategy does not depend on a prediction of equity market direction, and is designed to produce returns that are not correlated with equity market returns.

The Fund seeks to mitigate risk by staggering maturity dates of the option positions and by utilizing exchange-traded options guaranteed for settlement by the Options Clearing Corporation, a market clearinghouse.

The Fund is classified as “non-diversified” for purposes of the 1940 Act, which means that it is not limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

### **AlphaCentric Global Innovations Fund**

The Fund seeks to achieve its investment objective by investing in a portfolio of U.S. and foreign common stock of companies involved in innovative and breakthrough technologies across multiple sectors. The Fund may invest without limit in companies located anywhere in the world and, under normal conditions, at least 40% of the Fund's assets will be in securities of issuers

domiciled in at least 3 countries outside of the United States. The Fund expects to invest primarily in developed markets, but may also invest in emerging markets. The Fund may invest in any company with a market capitalization over \$50 million.

The Sub-Advisor employs proprietary bottom up research to identify companies worldwide with innovation technologies, such as robotics and automation companies, and potential for long-term outperformance. The Fund's portfolio will be composed of companies with game changing technologies in areas such as manufacturing, infrastructure, transportation, energy, healthcare, information technology, media and communications. The Fund will concentrate its investments (i.e., invest more than 25% of its assets) in the machinery and electrical equipment industries, collectively. After such innovative companies are identified, the companies are screened and only those companies meeting the Sub-Advisor's quantitative criteria are considered for investment. Companies are sold when the initial growth potential is no longer foreseeable.

When it deems appropriate, the Sub-Advisor may endeavor to hedge market risk by investing in inverse (short) ETFs, market volatility-linked ETFs, and invest in cash and cash equivalents. These ETFs may be leveraged ETFs, which are designed to produce daily returns (before fees and expenses) that are a multiple of a reference index or asset. Depending on the Sub-Advisor's assessment of market conditions, the Sub-Advisor expects the Fund's net long market exposure (long positions net of non-speculative short positions intended as market hedges) may range from approximately zero to 100% of the Fund's NAV.

The Fund is classified as "non-diversified" for purposes of the 1940 Act, which means that it is not limited by the 1940 Act with regard to the portion of its assets that may be invested in the securities of a single issuer.

### **Temporary Defensive Positions**

From time to time, each Fund may take temporary defensive positions, which are inconsistent with the Fund's principal investment strategies, in attempting to respond to adverse market, economic, political, or other conditions. For example, the Funds may hold all or a portion of their respective assets in money market instruments, including cash, cash equivalents, U.S. government securities, other investment grade fixed income securities, certificates of deposit, bankers acceptances, commercial paper, money market funds and repurchase agreements. While a Fund is in a defensive position, the opportunity to achieve its investment objective will be limited. If a Fund invests in a money market fund, the shareholders of the Fund generally will be subject to duplicative management fees. Although a Fund would do this only in seeking to avoid losses, the Fund will be unable to pursue its investment objective during that time, and it could reduce the benefit from any upswing in the market. Each Fund also may also invest in money market instruments at any time to maintain liquidity or pending selection of investments in accordance with its policies.

### **Manager-of-Managers Order**

Mutual Fund Series Trust and the Advisor have received an exemptive order (the "Order") from the SEC that would permit the Advisor, with the Trust's Board of Trustees' approval, to enter into sub-advisory agreements with one or more sub-advisers without obtaining shareholder

approval. The Order permits the Advisor, subject to the approval of the Board of Trustees, to replace sub-advisers or amend sub-advisory agreements, including fees, without shareholder approval whenever the Advisor and the Trustees believe such action will benefit the Fund and its shareholders.

## INVESTMENT RISKS

All mutual funds carry a certain amount of risk. As with any mutual fund, there is no guarantee that a Fund will achieve its objective. Investment markets are unpredictable, and there will be certain market conditions where the Fund will not meet its investment objective and will lose money. Each Fund's net asset value and returns will vary and you could lose money on your investment in the Fund and those losses could be significant. An investment in the Fund is not a complete investment program.

The table below identifies each Fund's principal risks and non-principal risks.

### Key:

Principal Risk: ●

Non-Principal Risk: ○

Not Applicable blank: -

Risks	Asset Rotation Fund	Income Opportunities Fund	Bond Rotation Fund	Hedged Market Opportunity Fund	Global Innovations Fund
Acquired Funds Risk	●	●	●	●	●
ADR Currency Risk	○	○	○	○	○
ADRs Risk	○	○	○	○	○
Affiliated Investment Company Risk	○	○	○	○	○
Allocation Risk	○	○	○	○	○
Asset-Backed and Mortgage Backed Security Risk	○	●	○	○	○
Bank Loans Risk	○	○	○	○	○
Basic Materials Industry Risk	○	○	○	○	○
Business Development Companies ("BDC") Risk	○	○	○	○	○
Call Options Risk	○	○	○	○	○
Capacity Risk	○	○	○	○	○
Cash or Cash Equivalents Risk	○	○	○	●	●
CDOs and CLOs Risk	○	●	○	○	○
Changing Fixed Income Market Conditions Risk	○	○	○	○	○
Collateralized Bond Obligation Risk	○	○	○	○	○
Commodity Risk	○	○	○	●	○
Concentration Risk	○	●	○	○	○
Conflict of Interest – Advisors/Sub-Advisors Risk	○	○	○	○	○
Conflict of Interest – Portfolio Manager Risk	○	○	○	○	○
Convertible Bond Risk	○	○	●	○	○

Risks	Asset Rotation Fund	Income Opportunities Fund	Bond Rotation Fund	Hedged Market Opportunity Fund	Global Innovations Fund
Convertible Securities Risk	○	○	○	○	○
Counterparty Risk	○	○	○	○	○
Credit Default Swap Risk	○	●	○	○	○
Credit Risk	○	●	○	○	○
Credit Risk (for Floating Rate Loans)	○	○	○	○	○
Currency Risk	○	○	○	○	○
Derivatives Risk	○	●	○	●	○
Distribution Policy Risk		●			
Dividend Yield Risk	○	○	○	○	○
Duration Risk	○	○	○	○	○
Emerging Market Risk	●	○	●	○	●
Equity Security Risk	○	○	○	○	●
Exchange Traded Notes Risk	○	○	○	○	○
Extension Risk	○	○	○	○	○
Fixed Income Risk	●	●	●	●	○
Foreign Currency Risk	○	○	○	○	○
Foreign Exchanges Risk	○	○	○	○	○
Foreign Securities Risk	●	○	●	○	●
Forwards Risk	○	○	○	○	○
Futures Contract Risk	○	●	○	●	○
Geographic Concentration Risk	○	○	○	○	○
Growth Stock Risk	○	○	○	○	○
Hedging Risk	○	●	○	●	●
Index Risk	○	○	○	●	○
Industry Concentration Risk	○	●	○	○	●
Inflation-Indexed Bond Risk	○	○	○	○	○
Inflation Protected Securities Risk	○	○	○	○	○
Interest Rate Risk	○	○	○	○	○
Interest Rate Risk (for Floating Rate Loans)	○	○	○	○	○
Inverse ETF Risk	○	●	○	○	●
Investment Model Risk	○	○	○	○	○
Issuer Specific Risk	○	○	○	○	○
Junk Bond Risk	○	●	●	○	○
Large Capitalization Stock Risk	○	○	○	○	○
Leverage Risk	○	●	○	●	○
Leveraged ETF Risk	○	●	○	○	●
Liquidity Risk	○	●	○	○	○
Litigation Risk	○	○	○	○	○
Loan Risk	○	○	○	○	○
Machinery and Electrical Equipment Industry Risk	○	○	○	○	●
Management Risk	●	●	●	●	●
Market Risk	●	●	●	●	●
Market Volatility-Linked ETFs Risk	○	○	○	○	●
MBS and CMO Risk	○	○	○	○	○
Medium (Mid) Capitalization Stock Risk	●	○	○	○	●

Risks	Asset Rotation Fund	Income Opportunities Fund	Bond Rotation Fund	Hedged Market Opportunity Fund	Global Innovations Fund
Micro Capitalization Risk	○	○	○	○	○
MLP and MLP-Related Securities Risk	○	○	○	○	○
Mortgage Backed Security Risk	○	○	●	○	○
Municipal Bond Risk	○	○	●	○	○
Non-diversification Risk	-	●	-	●	●
Options Market Risk	○	●	○	●	○
Options Risk	○	●	○	●	○
OTC Trading Risk	○	●	○	○	○
Preferred Stock Risk	○	●	○	○	○
Prepayment and Extension Risk	○	●	○	○	○
Real Estate and REIT Risk	○	●	○	○	○
Regulatory Risk	●	●	●	●	●
Repurchase and Reverse Repurchase Agreement Risk	○	●	○	○	○
Restricted Securities Risk	○	○	○	○	○
Risk Management Risk	○	○	○	○	○
Sector Concentration Risk	○	○	○	○	○
Security Risk	●	●	●	○	●
Segregation Risk	○	○	○	○	○
Short Selling Risk	○	○	○	○	○
Smaller Capitalization Stock Risk	●	○	○	○	●
Sovereign Debt Risk	○	○	○	○	○
Structured Note Risk	○	●	○	○	○
Sub-Prime Mortgage Risk	○	○	○	○	○
Swap Risk	○	○	○	○	○
Taxation Risk	○	○	○	○	○
Technology Sector Risk	○	○	○	○	○
Tracking Risk of ETFs	●	○	●	○	○
Turnover Risk	●	○	●	●	○
U.S. Agency Securities Risk	○	●	●	●	○
U.S. Government Obligations Risk	○	○	○	○	○
Volatility Risk	○	●	○	●	●

Descriptions of these principal risks as well as the non-principal risks of the Funds are set forth below. These risks could adversely affect the net asset value, total return and the value of a Fund and your investment.

**Acquired Funds Risk.** Other investment companies including mutual funds, ETFs and closed-end funds (“Underlying Funds”) in which the Fund invests are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, the cost of investing in the Fund will be higher than the cost of investing directly in the Underlying Funds and may be higher than other mutual funds that invest directly in stocks and bonds. Each of the Underlying Funds is subject to its own specific risks, but the Advisor expects the principal investments risks of such Underlying Funds will be similar to the risks of investing in the Fund. Additional risks of investing in ETFs and mutual funds are described below:

- **Closed-End Fund Risk.** Closed-end funds are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing will be higher than the cost of investing directly in a closed-end fund and may be higher than other mutual funds that invest directly in stocks and bonds. Closed-end funds are also subject to management risk because the adviser to the underlying closed-end fund may be unsuccessful in meeting the fund's investment objective. These funds may also trade at a discount or premium to their net asset value and may trade at a larger discount or smaller premium subsequent to purchase by the Fund. Since closed-end funds trade on exchanges, the Fund will also incur brokerage expenses and commissions when it buys or sells closed-end fund shares.
- **ETF Tracking Risk:** Investment in the Fund should be made with the understanding that the passive ETFs in which the Fund invests will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the passive ETFs in which the Fund invests will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the passive ETFs may, from time to time, temporarily be unavailable, which may further impede the passive ETFs' ability to track their applicable indices.
- **Inverse Correlation Risk:** Underlying Funds that are inverse funds should lose value as the index or security tracked by such fund's benchmark increases in value; a result that is the opposite from traditional mutual funds. Successful use of inverse funds requires that the Advisor and/or Sub-Advisor correctly predict short term market movements. If the Fund invests in an inverse fund and markets rise, the Fund could lose money. Inverse funds may also employ leverage such that their returns are more than one times that of their benchmark.
- **Management Risk:** When the Fund invests in Underlying Funds there is a risk that the investment advisers of those Underlying Funds may make investment decisions that are detrimental to the performance of the Fund.
- **Mutual Fund Risk.** Mutual funds are subject to investment advisory and other expenses, which will be indirectly paid by the Fund. As a result, your cost of investing will be higher than the cost of investing directly in a mutual fund and may be higher than other mutual funds that invest directly in stocks and bonds. Mutual funds are also subject management risk because the adviser to the underlying mutual fund may be unsuccessful in meeting the fund's investment objective and may temporarily pursue strategies which are inconsistent with the Fund's investment objective.
- **Net Asset Value and Market Price Risk:** The market value of ETF shares may differ from their net asset value. This difference in price may be due to the fact that the supply and demand in the market for fund shares at any point in time is not always identical to the supply and demand in the market for the underlying basket of securities. Accordingly, there may be times when shares trade at a premium or discount to net asset value.
- **Strategies Risk:** Each Underlying Fund is subject to specific risks, depending on the nature of the fund. These risks could include liquidity risk, sector risk, and foreign currency risk, as well as risks associated with fixed income securities and commodities.

**ADR Currency Risk.** To establish a value for the shares, the issuer establishes a “conversion rate” equal to one share of an ADR for a certain number of shares of the stock of a foreign company. This “conversion rate” establishes a universal monetary relationship between the value of the ADR and the local currency of the foreign company stock. Although an ADR is priced in the US dollar, in order to preserve the uniformity of the established “conversion rate,” movements in the exchange rate of the local currency versus the US dollar are automatically reflected in the price of the ADR in US dollars. Therefore, even if the price of the foreign security does not change on its market, if the exchange rate of the local currency relative to the US Dollar declines, the ADR price would decline by a similar measure.

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**ADRs Risk.** ADRs, which are typically issued by a bank, are certificates that evidence ownership of shares of a foreign company and are alternatives to purchasing foreign securities directly in their national markets and currencies. ADRs are subject to the same risks as direct investment in foreign companies and involve risks that are not found in investments in U.S. companies. In addition to the risks of investing in foreign securities discussed below, there is no guarantee that an ADR issuer will continue to offer a particular ADR. As a result, the Fund may have difficulty selling the ADR, or selling them quickly and efficiently at the prices at which they have been valued. In a sponsored ADR arrangement, the foreign company assumes the obligation to pay some or all of the depositary’s transaction fees. Under an unsponsored ADR arrangement, the foreign company assumes no obligations and the depositary’s transaction fees are paid directly by the ADR holders. Because unsponsored ADR arrangements are organized independently and without the cooperation of the foreign company, available information concerning the foreign company may not be as current as for sponsored ADRs and voting rights with respect to the deposited securities are not passed through. ADRs may not track the price of the underlying foreign securities on which they are based, and their value may change materially at times when U.S. markets are not open for trading. Certain ADRs are not listed on an exchange and therefore may be considered to be illiquid.

**Affiliated Investment Company Risk.** The Funds may invest in affiliated underlying funds (the “Affiliated Funds”), unaffiliated underlying funds, or a combination of both. The Advisor, therefore, is subject to conflicts of interest in allocating a Fund’s assets among the Affiliated Funds. The Advisor will receive more revenue to the extent it selects Affiliated Fund rather than an unaffiliated fund for inclusion in the Fund’s portfolio. In addition, the Advisor may have an incentive to allocate the Fund’s assets to those Affiliated Funds for which the net advisory fees payable to the Advisor are higher than the fees payable by other Affiliated Funds.

**Allocation Risk.** The risk that if a Fund’s strategy for allocating assets among different assets classes does not work as intended, the Fund may not achieve its objective or may underperform other funds with the same or similar investment strategy.

**Asset-Backed and Mortgage-Backed Security Risk.** Prepayment risk is associated with mortgage-backed and asset-backed securities. If interest rates fall, the underlying debt may be repaid ahead of schedule, reducing the value of a Fund’s investments. If interest rates rise, there

may be fewer prepayments, which would cause the average bond maturity to rise, increasing the potential for the Fund to lose money. The value of these securities may be significantly affected by changes in interest rates, the market's perception of issuers, and the creditworthiness of the parties involved. The ability of a Fund to successfully utilize these instruments may depend on the ability of the Fund's Advisor or Sub-Advisor to forecast interest rates and other economic factors correctly. These securities may have a structure that makes their reaction to interest rate changes and other factors difficult to predict, making their value highly volatile. The more senior security classes are generally entitled to receive payment before the subordinate classes if the cash flow generated by the underlying assets is not sufficient to pay all investors. Certain mortgage-backed securities may be secured by pools of mortgages on single-family, multi-family properties, as well as commercial properties. Similarly, asset backed securities may be secured by pools of loans, such as student loans, automobile loans, equipment leases, and credit card receivables. The credit risk on such securities is affected by borrowers or lessees defaulting on their payments. The values of assets underlying mortgage-backed and asset-backed securities may decline and, therefore, may not be adequate to cover underlying investors. Mortgage-backed securities and other securities issued by participants in housing and commercial real estate finance, as well as other real estate-related markets have experienced extraordinary weakness and volatility in certain years. Possible legislation in the area of residential mortgages, credit cards and other loans that may collateralize the securities in which the Fund may invest could negatively impact the value of the Fund's investments. To the extent the Fund focuses its investments in particular types of mortgage-backed or asset-backed securities, the Fund may be more susceptible to risk factors affecting such types of securities. The liquidity of these assets may decrease over time.

**Bank Loans Risk.** The market for bank loans may not be highly liquid and a Fund may have difficulty selling them. These investments expose a Fund to the credit risk of both the financial institution and the underlying borrower. Bank loans settle on a delayed basis, potentially leading to the sale proceeds of such loans not being available to meet redemptions for a substantial period of time after the sale of the bank loans. Certain bank loans may not be considered "securities," and purchasers, such as the Fund, therefore may not be entitled to rely on the protections of federal securities laws, including anti-fraud provisions.

**Basic Materials Industry Risk.** To the extent that a Fund's investments are exposed to issuers conducting business in basic materials, the Fund is subject to the risk that the securities of such issuers will underperform the market as a whole due to legislative or regulatory changes, adverse market conditions and/or increased competition affecting that economic sector. The prices of the securities of basic materials companies also may fluctuate widely in response to such events.

**Business Development Companies ("BDC") Risk.** BDCs may carry risks similar to those of a private equity or venture capital fund. BDC company securities are not redeemable at the option of the shareholder and they may trade in the market at a discount to their net asset value. A BDC is a form of investment company that is required to invest at least 70% of its total assets in securities (typically debt) of private companies, thinly traded U.S. public companies, or short-term high quality debt securities. The BDCs held by a Fund may leverage their portfolios through borrowings or the issuance of preferred stock. While leverage often serves to increase the yield of a BDC, this leverage also subjects a BDC to increased risks, including the likelihood of increased volatility and the possibility that a BDC's common share income will fall if the dividend rate of the preferred shares or the interest rate on any borrowings rises. A significant



portion of a BDC's investments are recorded at fair value as determined by its board of directors which may create uncertainty as to the value of the BDC's investments. Non-traded BDCs are illiquid and it may not be possible to redeem shares or to do so without paying a substantial penalty. Publicly-traded BDCs usually trade at a discount to their net asset value because they invest in unlisted securities and have limited access to capital markets. BDCs are subject to high failure rates among the companies in which they invest and federal securities laws impose restraints upon the organization and operations of BDCs that can limit or negatively impact the performance of a BDC. However, the Fund does not believe it would be liable for the actions of any entity in which it invests and that only its investment is at risk. Also, BDCs may engage in certain principal and joint transactions that a mutual fund or closed-end fund may not without an exemptive order from the SEC.

**Call Options Risk.** There are risks associated with the sale and purchase of call options. As the seller (writer) of a covered call option, a Fund assumes the risk of a decline in the market price of the underlying security below the purchase price of the underlying security less the premium received, and gives up the opportunity for gain on the underlying security above the exercise option price. A Fund continues to bear the risk that it will lose money if the value of the security falls below the strike price. Option premiums are treated as short-term capital gains and when distributed to shareholders, are usually taxable as ordinary income, which may have a higher tax rate than long-term capital gains for shareholders holding Fund shares in a taxable account. As the buyer of a call option, a Fund assumes the risk that the market price of the underlying security will not increase above the strike price plus the premiums paid, so the Fund bears the risk that it will lose the premium paid for the option.

**Capacity Risk.** The markets and securities in which a Fund invests may, at times, be limited. Under such conditions, the execution of the Fund's strategy may be affected and the Fund may not achieve its investment objective. In addition, the Fund may not be able to purchase or sell securities at favorable market prices.

**Cash or Cash Equivalents Risk:** At any time, a Fund may have significant investments in cash or cash equivalents. When a substantial portion of a portfolio is held in cash or cash equivalents, there is the risk that the value of the cash account, including interest, will not keep pace with inflation, thus reducing purchasing power over time.

**CDOs and CLOs Risk.** CDOs and CLOs are securities backed by an underlying portfolio of debt and loan obligations, respectively. CDOs and CLOs issue classes or "tranches" that vary in risk and yield and may experience substantial losses due to actual defaults, decrease of market value due to collateral defaults and removal of subordinate tranches, market anticipation of defaults and investor aversion to CDO and CLO securities as a class. The risks of investing in CDOs and CLOs depend largely on the tranche invested in and the type of the underlying debts and loans in the tranche of the CDO or CLO, respectively, in which the Fund invests. CDOs and CLOs also carry risks including, but not limited to, interest rate risk and credit risk.

**Changing Fixed Income Market Conditions Risk.** Following the financial crisis that began in 2007, the Board of Governors of the Federal Reserve System (the "Federal Reserve") has attempted to support the U.S. economic recovery by keeping the federal funds rate at a low level and purchasing large quantities of securities issued or guaranteed by the U.S. government, its agencies or instrumentalities on the open market. Any future interest rate increases could cause the value of any Fund that invests in fixed income securities to decrease. Federal Reserve policy

changes may expose fixed-income and related markets to heightened volatility and may reduce liquidity for certain Fund investments, which could cause the value of a Fund's investments and share price to decline. If a Fund invests in derivatives tied to fixed-income markets, the Fund may be more substantially exposed to these risks than a fund that does not invest in derivatives. To the extent a Fund experiences high redemptions because of these policy changes, the Fund may experience increased portfolio turnover, which will increase the costs the Fund incurs and may lower its performance. Furthermore, if rising interest rates cause a Fund to lose enough value, the Fund could also face increased shareholder redemptions, which could force the Fund to liquidate investments at disadvantageous times or prices, therefore adversely affecting the Fund. In addition, decreases in fixed income dealer market-making capacity may persist in the future, potentially leading to decreased liquidity and increased volatility in the fixed income markets.

**Collateralized Bond Obligation Risk.** The pool of securities underlying collateralized bond obligations is typically separated in groupings called tranches representing different degrees of credit quality. The higher quality tranches have greater degrees of protection and pay lower interest rates. The lower tranches, with greater risk, pay higher interest rates.

**Commodity Risk:** A Fund's exposure to the commodities markets may subject the Fund to greater volatility than investments in traditional securities. The value of commodity-linked derivative instruments, commodity-based exchange traded trusts and commodity-based exchange traded funds and notes may be affected by changes in overall market movements, commodity index volatility, changes in interest rates, or sectors affecting a particular industry or commodity, such as drought, floods, weather, livestock disease, embargoes, tariffs, and international economic, political and regulatory developments.

**Concentration Risk.** Concentration risk results from maintaining exposure to the performance of the residential and commercial mortgages held in the mortgage-backed securities in which a Fund will invest. The risk of concentrating in these types of investments is that the Fund will be susceptible to the risks associated with mortgage-backed securities as discussed above.

**Conflict of Interest - Advisors/Sub-Advisors Risk.** The Advisor, Sub-Advisors, portfolio managers and other individuals associated with the Advisor and Sub-Advisors may have compensation and/or other arrangements that may be in conflict to the interests of a Fund.

**Conflict of Interest - Portfolio Manager Risk.** Actual or apparent conflicts of interest may arise when a portfolio manager has day-to-day management responsibilities with respect to more than one fund or other accounts. More specifically, portfolio managers who manage multiple funds are presented with the following potential conflicts:

- The management of multiple accounts may result in a portfolio manager devoting unequal time and attention to the management of each account. The management of multiple funds and accounts also may give rise to potential conflicts of interest if the funds and accounts have different objectives, benchmarks, time horizons, and fees as the portfolio manager must allocate his time and investment ideas across multiple funds and accounts.
- With respect to securities transactions for the Funds, the Advisor or Sub-Advisors determine which broker to use to execute each order, consistent with the duty to seek best execution of the transaction. The portfolio manager may execute transactions for another fund or account that

may adversely impact the value of securities held by the Funds. Securities selected for funds or accounts other than the Funds may outperform the securities selected for the Funds.

- The appearance of a conflict of interest may arise where the Advisor or Sub-Advisor has an incentive, such as a performance-based management fee. The management of personal accounts may give rise to potential conflicts of interest; there is no assurance that the Funds' code of ethics will adequately address such conflicts. One of the portfolio manager's numerous responsibilities is to assist in the sale of Fund shares. Because the portfolio manager's compensation is indirectly linked to the sale of Fund shares, they may have an incentive to devote time to marketing efforts designed to increase sales of Fund shares

- The Advisor and each Sub-Advisor has adopted a code of ethics that, among other things, permits personal trading by employees under conditions where it has been determined that such trades would not adversely impact client accounts. Nevertheless, the management of personal accounts may give rise to potential conflicts of interest, and there is no assurance that these codes of ethics will adequately address such conflicts.

**Convertible Bond Risk.** Convertible bonds are hybrid securities that have characteristics of both bonds and common stocks and are subject to fixed income security risks and conversion value-related equity risk. Convertible bonds are similar to other fixed-income securities because they usually pay a fixed interest rate and are obligated to repay principal on a given date in the future. The market value of fixed-income securities tends to decline as interest rates increase. Convertible bonds are particularly sensitive to changes in interest rates when their conversion to equity feature is small relative to the interest and principal value of the bond. Convertible issuers may not be able to make principal and interest payments on the bond as they become due. Convertible bonds may also be subject to prepayment or redemption risk. If a convertible bond is called for redemption, the Funds will be required to surrender the security for redemption, convert it into the issuing company's common stock or cash at a time that may be unfavorable to the Funds. Convertible securities have characteristics similar to common stocks especially when their conversion value is greater than the interest and principal value of the bond. The price of equity securities may rise or fall because of economic or political changes. Stock prices in general may decline over short or even extended periods of time. Market prices of equity securities in broad market segments may be adversely affected by a prominent issuer having experienced losses or by the lack of earnings or such an issuer's failure to meet the market's expectations with respect to new products or services, or even by factors wholly unrelated to the value or condition of the issuer, such as changes in interest rates. When a convertible bond's value is more closely tied to its conversion to stock feature, it is sensitive to the underlying stock's price.

**Convertible Securities Risk.** Convertible securities, such as convertible preferred stocks, subject the Funds to the risks associated with both fixed-income securities and equity securities. If a convertible security's investment value is greater than its conversion value, its price will likely increase when interest rates fall and decrease when interest rates rise. If the conversion value exceeds the investment value, the price of the convertible security will tend to fluctuate directly with the price of the underlying equity security.

**Counterparty Risk.** The Funds may engage in transactions in securities and financial instruments that involve counterparties. Counterparty risk is the risk that a counterparty (the other party to a transaction or an agreement or the party with whom a Fund executes

transactions) to a transaction with the Funds may be unable or unwilling to make timely principal, interest or settlement payments, or otherwise honor its obligations.

**Credit Default Swap Risk.** Credit default swaps ("CDS") are typically two-party financial contracts that transfer credit exposure between the two parties. Under a typical CDS, one party (the "seller") receives pre-determined periodic payments from the other party (the "buyer"). The seller agrees to make compensating specific payments to the buyer if a negative credit event occurs, such as the bankruptcy or default by the issuer of the underlying debt instrument. The use of CDS involves investment techniques and risks different from those associated with ordinary portfolio security transactions, such as potentially heightened counterparty, concentration and exposure risks.

**Credit Risk.** Credit risk is the risk that an issuer of a security will fail to pay principal and interest in a timely manner, reducing a Fund's total return. Credit risk may be substantial for the Fund.

**Credit Risk (for Floating Rate Loans).** Credit risk is the risk that the issuer of a security and other instrument will not be able to make principal and interest payments when due. The value of a Fund's shares, and the Fund's ability to pay dividends, is dependent upon the performance of the assets in its portfolio. Prices of a Fund's investments can fall if the actual or perceived financial health of the borrowers on, or issuers of, such investments deteriorates, whether because of broad economic or issuer-specific reasons. In severe cases, the borrower or issuer could be late in paying interest or principal, or could fail to pay altogether.

In the event a borrower fails to pay scheduled interest or principal payments on an investment held by a Fund, the Fund will experience a reduction in its income and a decline in the market value of such investment. This will likely reduce the amount of dividends paid by a Fund and likely lead to a decline in the net asset value of the Fund's shares.

A Fund may invest in floating rate loans that are senior in the capital structure of the borrower or issuer, and that are secured with specific collateral. Loans that are senior and secured generally involve less risk than unsecured or subordinated debt and equity instruments of the same borrower because the payment of principal and interest on senior loans is an obligation of the borrower that, in most instances, takes precedence over the payment of dividends or the return of capital to the borrower's shareholders, and payments to bond holders; and because of the collateral supporting the repayment of the debt instrument. However, the value of the collateral may not equal a Fund's investment when the debt instrument is acquired or may decline below the principal amount of the debt instrument subsequent to the Fund's investment. Also, to the extent that collateral consists of stocks of the borrower, or its subsidiaries or affiliates, a Fund bears the risk that the stocks may decline in value, be relatively illiquid, or may lose all or substantially all of their value, causing the Fund's investment to be undercollateralized. Therefore, the liquidation of the collateral underlying a floating rate loan in which a Fund has invested, may not satisfy the borrower's obligation to the Fund in the event of non-payment of scheduled interest or principal, and the collateral may not be able to be readily liquidated.

In the event of the bankruptcy of a borrower or issuer, a Fund could experience delays and limitations on its ability to realize the benefits of the collateral securing the Fund's investment. Among the risks involved in a bankruptcy are assertions that the pledge of collateral to secure a

loan constitutes a fraudulent conveyance or preferential transfer that would have the effect of nullifying or subordinating a Fund's rights to the collateral.

The floating rate debt in which a Fund invests may be generally rated lower than investment-grade credit quality, i.e., rated lower than "Baa3" by Moody's Investors Service, Inc. ("Moody's") or "BBB-" by Standard & Poor's Ratings Services ("S&P"), or have been made to borrowers who have issued debt securities that are rated lower than investment-grade in quality or, if unrated, would be rated lower than investment-grade credit quality. Investment decisions for a Fund will be based largely on the credit analysis performed by the Sub-Advisor, and not entirely on rating agency evaluation. This analysis may be difficult to perform. Information about a loan and its borrower generally is not in the public domain. Many borrowers have not issued securities to the public and are not subject to reporting requirements under federal securities laws. Generally, however, borrowers are required to provide financial information to lenders and information may be available from other loan market participants or agents that originate or administer loans.

**Currency Risk.** Currency trading involves significant risks, including market risk, interest rate risk, country risk, counterparty credit risk and short sale risk. Market risk results from the price movement of foreign currency values in response to shifting market supply and demand. Since exchange rate changes can readily move in one direction, a currency position carried overnight or over a number of days may involve greater risk than one carried a few minutes or hours. Interest rate risk arises whenever a country changes its stated interest rate target associated with its currency. Country risk arises because virtually every country has interfered with international transactions in its currency. Interference has taken the form of regulation of the local exchange market, restrictions on foreign investment by residents or limits on inflows of investment funds from abroad. Restrictions on the exchange market or on international transactions are intended to affect the level or movement of the exchange rate. This risk could include the country issuing a new currency, effectively making the "old" currency worthless. The Fund may also take short positions, through derivatives, if the Advisor or Sub-Advisor believes the value of a currency is likely to depreciate in value. A "short" position is, in effect, similar to a sale in which the Fund sells a currency it does not own but, has borrowed in anticipation that the market price of the currency will decline. The Fund must replace a short currency position by purchasing it at the market price at the time of replacement, which may be more or less than the price at which the Fund took a short position in the currency.

**Derivatives Risk.** A Fund may use derivatives (including options, futures, swap contracts and other transactions) to hedge against market declines. A Fund's use of derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities including:

- *Leverage and Volatility Risk:* Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to the Fund. The use of leverage may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral segregation requirements. The use of leveraged derivatives can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.
- *Liquidity Risk:* It is possible that particular derivative investments might be difficult to purchase or sell, possibly preventing the Fund from executing positions at an advantageous time or price, or possibly requiring them to dispose of other investments at unfavorable times or prices in order to satisfy their obligations. Most U.S. commodity futures exchanges impose daily limits regulating the maximum amount above or below the previous day's settlement price which a futures contract price may fluctuate during a single day. During a single trading day no trades may be executed at prices beyond the daily limit. Once the price of a particular futures contract has increased or decreased to the limit point, it may be difficult, costly or impossible to liquidate a position. It is also possible that an exchange or the Commodity Futures Trading Commission ("CFTC"), which regulates commodity futures exchanges, may suspend trading in a particular contract, order immediate settlement of a contract or order that trading to the liquidation of open positions only.
- *Risk of Options:* Because option premiums paid or received by the Fund are small in relation to the market value of the investments underlying the options, buying and selling put and call options can be more speculative than investing directly in securities.

**Distribution Policy Risk.** The Funds' distribution policy is not designed to generate, and is not expected to result in, distributions that equal a fixed percentage of a Fund's current net asset value per share. *Shareholders receiving periodic payments from the Fund may be under the impression that they are receiving net profits. However, all or a portion of a distribution may consist of a return of capital (i.e., from your original investment). Shareholders should not assume that the source of a distribution from the Fund is net profit.* Shareholders should note that return of capital will reduce the tax basis of their shares and potentially increase the taxable gain, if any, upon disposition of their shares. The Fund will provide disclosures, with each monthly distribution, that estimate the percentages of the current and year-to-date distributions that represent (1) net investment income, (2) capital gains and (3) return of capital. At the end of the year, the Fund may be required under applicable law to re-characterize distributions made previously during that year among (1) ordinary income, (2) capital gains and (3) return of capital for tax purposes.

**Dividend Yield Risk.** While a Fund may hold securities of companies that have historically paid a dividend, those companies may reduce or discontinue their dividends, thus reducing the yield of the Fund. Lower priced securities in the Fund may be more susceptible to these risks. Past dividend payments are not a guarantee of future dividend payments. Also, the market return of high dividend yield securities, in certain market conditions, may be worse than the market return of other investment strategies or the overall stock market.

**Duration Risk.** Longer-term securities may be more sensitive to interest rate changes. Given the recent, historically low interest rates and the potential for increases in those rates, a heightened risk is posed by rising interest rates to a fund whose portfolios include longer-term fixed income

securities. Effective duration estimates price changes for relatively small changes in rates. If rates rise significantly, effective duration may tend to understate the drop in a security's price. If rates drop significantly, effective duration may tend to overstate the rise in a security's price.

**Emerging Markets.** A Fund may invest in countries with newly organized or less developed securities markets. There are typically greater risks involved in investing in emerging markets securities. Generally, economic structures in these countries are less diverse and mature than those in developed countries and their political systems tend to be less stable. Emerging market economies may be based on only a few industries, therefore security issuers, including governments, may be more susceptible to economic weakness and more likely to default. Emerging market countries also may have relatively unstable governments, weaker economies, and less-developed legal systems with fewer security holder rights. Investments in emerging markets countries may be affected by government policies that restrict foreign investment in certain issuers or industries. The potentially smaller size of their securities markets and lower trading volumes can make investments relatively illiquid and potentially more volatile than investments in developed countries, and such securities may be subject to abrupt and severe price declines. Due to this relative lack of liquidity, the Fund may have to accept a lower price or may not be able to sell a portfolio security at all. An inability to sell a portfolio position can adversely affect the Fund's value or prevent the Fund from being able to meet cash obligations or take advantage of other investment opportunities.

**Equity Security Risk.** Common and preferred stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. Warrants and rights may expire worthless if the price of a common stock is below the conversion price of the warrant or right. Convertible bonds may decline in value if the price of a common stock falls below the conversion price. Investor perceptions are based on various and unpredictable factors, including expectations regarding government, economic, monetary and fiscal policies; inflation and interest rates; economic expansion or contraction and global or regional political, economic and banking crises.

**Exchange Traded Notes Risk.** Similar to ETFs, owning an ETN generally reflects the risks of owning the assets that comprise the underlying market benchmark or strategy that the ETN is designed to reflect. ETNs also are subject to issuer and fixed-income risk.

**Extension Risk.** Refers to the risk that if interest rates rise, repayments of principal on certain debt securities, including, but not limited to, floating rate loans and mortgage-related securities, may occur at a slower rate than expected and the expected maturity of those securities could lengthen as a result. Securities that are subject to extension risk generally have a greater potential for loss when prevailing interest rates rise, which could cause their values to fall sharply.

**Fixed Income Risk.** When a Fund invests in fixed income securities ("U.S. Treasuries"), the value of your investment in the Fund will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of fixed income securities owned by the Fund. In general, the market price of fixed income securities with longer maturities will increase or decrease more in response to changes in interest rates than shorter-term securities. Other risk factors include credit risk (the debtor may default) and prepayment risk (the debtor may pay its obligation early, reducing the amount of interest payments). These risks could affect the value of a particular investment by the Fund, possibly causing the Fund's share price and total return to be reduced and fluctuate more than other types of investments.

**Foreign Currency Risk.** Currency trading risks include market risk, credit risk and country risk. Market risk results from adverse changes in exchange rates in the currencies the Fund is long or short. Credit risk results because a currency-trade counterparty may default. Country risk arises because a government may interfere with transactions in its currency.

**Foreign Exchanges Risk.** A portion of the derivatives trades made by the Fund may be take place on foreign markets. Neither existing CFTC regulations nor regulations of any other U.S. governmental agency apply to transactions on foreign markets. Some of these foreign markets, in contrast to U.S. exchanges, are so-called principals' markets in which performance is the responsibility only of the individual counterparty with whom the trader has entered into a commodity interest transaction and not of the exchange or clearing corporation. In these kinds of markets, there is risk of bankruptcy or other failure or refusal to perform by the counterparty.

**Foreign Securities Risk.** To the extent a Fund invest in foreign securities, the Fund could be subject to greater risks because the Fund's performance may depend on issues other than the performance of a particular company or U.S. market sector. Changes in foreign economies and political climates are more likely to affect the Fund than a mutual fund that invests exclusively in U.S. companies. The value of foreign securities is also affected by the value of the local currency relative to the U.S. dollar. There may also be less government supervision of foreign markets, resulting in non-uniform accounting practices and less publicly available information. The values of foreign investments may be affected by changes in exchange control regulations, application of foreign tax laws (including withholding tax), changes in governmental administration or economic or monetary policy (in this country or abroad) or changed circumstances in dealings between nations. In addition, foreign brokerage commissions, custody fees and other costs of investing in foreign securities are generally higher than in the United States. Investments in foreign issues could be affected by other factors not present in the United States, including expropriation, armed conflict, confiscatory taxation, and potential difficulties in enforcing contractual obligations. As a result, the Fund may be exposed to greater risk and will be more dependent on the adviser's ability to assess such risk than if the Fund invested solely in more developed countries.

**Forwards Risk.** Foreign currency forward contract are a type of derivative contract whereby the Fund may agree to buy or sell a country's or region's currency at a specific price on a specific date, usually 30, 60, or 90 days in the future. These contracts are subject to the risk of political and economic factors applicable to the countries issuing the underlying currencies and may fall in value due to foreign market downswings or foreign currency value fluctuations. Forward foreign currency contracts are individually negotiated and privately traded so they are dependent upon the creditworthiness of the counterparty and subject to counterparty risk. The Fund's investment or hedging strategies may not achieve their objective. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Derivative contracts ordinarily have leverage inherent in their terms and low margin deposits normally required in trading derivatives permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to the Fund. The use of leverage may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral



segregation requirements. The use of leveraged derivatives can magnify the Fund's potential for gain or loss and, therefore, amplify the effects of market volatility on the Fund's share price.

**Futures Contract Risk.** A Fund's use of futures involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the futures contract may not correlate perfectly with the underlying index. Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on the Fund. This risk could cause the Fund to lose more than the principal amount invested. Futures contracts may become mispriced or improperly valued when compared to the adviser's expectation and may not produce the desired investment results. Additionally, changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

**Geographic Concentration Risk.** A Fund may be particularly susceptible to economic, political, regulatory or other events or conditions affecting countries within the specific geographic regions in which the Fund invests. Currency devaluations could occur in countries that have not yet experienced currency devaluation to date, or could continue to occur in countries that have already experienced such devaluations. As a result, the Fund's net asset value may be more volatile than a more geographically diversified fund.

**Growth Stock Risk.** "Growth" stocks can react differently to issuer, political, market, and economic developments than the market as a whole and other types of stocks. "Growth" stocks also tend to be more expensive relative to their earnings or assets compared to other types of stocks. As a result, "growth" stocks tend to be sensitive to changes in their earnings and more volatile in price than the stock market as a whole. In addition, companies that the Advisor or Sub-Advisor believes have significant growth potential are often companies with new, limited or cyclical product lines, markets or financial resources and the management of such companies may be dependent upon one or a few key people. The stocks of such companies can therefore be subject to more abrupt or erratic market movements than stocks of larger, more established companies or the stock market in general.

**Hedging Risk.** Hedging is a strategy in which a Fund uses a security or derivative to reduce the risks associated with other Fund holdings. There can be no assurance that the Fund's hedging strategy will reduce risk or that hedging transactions will be either available or cost effective. The Fund is not required to use hedging strategies and may choose not to do so.

**Index Risk.** If the derivative is linked to the performance of an index, it will be subject to the risks associated with changes in that index.

**Industry Concentration Risk.** A Fund that concentrates its investments in an industry or group of industries is more vulnerable to adverse market, economic, regulatory, political or other developments affecting such industry or group of industries than a fund that invests its assets more broadly.

**Inflation-Indexed Bond Risk.** Inflation-indexed bonds are fixed income securities whose principal values are periodically adjusted according to a measure of inflation. If the index

measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation indexed bonds. For bonds that do not provide a similar guarantee, the adjusted principal value of the bond repaid at maturity may be less than the original principal. With regard to municipal inflation-indexed bonds and certain corporate inflation-indexed bonds, the inflation adjustment is reflected in the semi-annual coupon payment. As a result, the principal value of municipal inflation-indexed bonds and such corporate inflation indexed bonds does not adjust according to the rate of inflation. The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates are tied to the relationship between nominal interest rates and the rate of inflation. If nominal interest rates increase at a faster rate than inflation, real interest rates may rise, leading to a decrease in value of inflation-indexed bonds. Inflation-indexed bonds may cause a potential cash flow mismatch to investors, because an increase in the principal amount of an inflation-indexed bond will be treated as interest income currently subject to tax at ordinary income rates even though investors will not receive repayment of principal until maturity. If the Fund invests in such bonds, it will be required to distribute such interest income in order to qualify for treatment as a regulated investment company and eliminate the Fund-level tax, without a corresponding receipt of cash, and therefore may be required to dispose of portfolio securities at a time when it may not be desirable.

**Inflation Protected Securities Risk.** Inflation-protected debt securities tend to react to changes in real interest rates. Real interest rates represent nominal (stated) interest rates reduced by the expected impact of inflation. In general, the price of an inflation-protected debt security can fall when real interest rates rise, and can rise when real interest rates fall. Interest payments on inflation-protected debt securities can be unpredictable and will vary as the principal and/or interest is adjusted for inflation.

**Interest Rate Risk.** Interest rate risk is the risk that bond prices overall, including the prices of securities held by the Fund, will decline over short or even long periods of time due to rising interest rates. Bonds with longer maturities tend to be more sensitive to interest rates than bonds with shorter maturities. For example, if interest rates go up by 1.0%, the price of a 4% coupon bond will decrease by approximately 1.0% for a bond with 1 year to maturity and approximately 4.4% for a bond with 5 years to maturity.

**Interest Rate Risk (for Floating Rate Loans).** Changes in short-term market interest rates will directly affect the yield on the shares of a Fund whose investments are normally invested in floating rate debt. If short-term market interest rates fall, the yield on the Fund's shares will also fall. Conversely, when short-term market interest rates rise, because of the lag between changes in such short-term rates and the resetting of the floating rates on the floating rate debt in a Fund's portfolio, the impact of rising rates will be delayed to the extent of such lag. The impact of market interest rate changes on a Fund's yield will also be affected by whether, and the extent to which, the floating rate debt in the Fund's portfolio is subject to floors on the LIBOR base rate on which interest is calculated for such loans (a "LIBOR floor"). So long as the base rate for a loan remains under the LIBOR floor, changes in short-term interest rates will not affect the yield on such loans. In addition, to the extent that the interest rate spreads on floating rate debt in a Fund's portfolio experience a general decline, the yield on the Fund's shares will fall and the value of the Fund's assets may decrease, which will cause the Fund's net asset value to decrease.

With respect to a Fund's investments in fixed rate instruments, a rise in interest rates generally causes values to fall. The values of fixed rate securities with longer maturities or duration are more sensitive to changes in interest rates.

**Inverse ETF Risk.** Investing in inverse ETFs may result in increased volatility due to the Funds' possible use of short sales of securities and derivatives such as options and futures. The use of leverage by an ETF increases risk to the Fund. The more a Fund invests in leveraged instruments, the more the leverage will magnify any gains or losses on those investments. During periods of increased volatility, inverse ETFs may not perform in the manner they are designed.

**Investment Model Risk.** Like all quantitative analysis, the Advisor's or Sub-Advisor's investment model carries a risk that the mathematical model used might be based on one or more incorrect assumptions. Rapidly changing and unforeseen market dynamics could also lead to a decrease in short term effectiveness of the mathematical model. No assurance can be given that the fund will be successful under all or any market conditions.

**Issuer Specific Risk.** The value of a specific security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. The value of securities of smaller issuers can be more volatile than those of larger issuers. The value of certain types of securities can be more volatile due to increased sensitivity to adverse issuer, political, regulatory, market, or economic developments. The value of each underlying pool will be dependent on the success of the strategies used by its manager or managers. Certain managers may be dependent upon a single individual or small group of individuals, the loss of which could adversely affect their success.

**Junk Bond Risk.** Lower-quality bonds, known as "high yield" or "junk" bonds, present a significant risk for loss of principal and interest. These bonds offer the potential for higher return, but also involve greater risk than bonds of higher quality, including an increased possibility that the bond's issuer, obligor or guarantor may not be able to make its payments of interest and principal (credit quality risk). If that happens, the value of the bond may decrease, and the Fund's share price may decrease and its income distribution may be reduced. An economic downturn or period of rising interest rates (interest rate risk) could adversely affect the market for these bonds and reduce the Fund's ability to sell its bonds (liquidity risk). Such securities may also include "Rule 144A" securities, which are subject to resale restrictions. The lack of a liquid market for these bonds could decrease the Fund's share price.

**Large Capitalization Stock Risk.** Large-capitalization companies may be less able than smaller capitalization companies to adapt to changing market conditions. Large-capitalization companies may be more mature and subject to more limited growth potential compared with smaller capitalization companies. During different market cycles, the performance of large capitalization companies has trailed the overall performance of the broader securities markets.

**Leverage Risk.** The use of leverage by the Fund, such as borrowing money to purchase securities or the use of derivatives, will cause the Fund to incur additional expenses and magnify the Fund's gains or losses.

**Leveraged ETF Risk.** Investing in leveraged ETFs will amplify the Fund's gains and losses. Most leveraged ETFs "reset" daily. Due to the effect of compounding, their performance over

longer periods of time can differ significantly from the performance of their underlying index or benchmark during the same period of time.

**Liquidity Risk.** Liquidity risk exists when particular investments of a Fund would be difficult to purchase or sell, possibly preventing the Fund from selling such illiquid securities at an advantageous time or price, or possibly requiring the Fund to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.

**Litigation Risk.** A Fund may be named in a lawsuit despite no wrongdoing by the Fund, its Advisor or Sub-Advisor or any other service provider to the Fund. The defense of a lawsuit may detrimentally impact the Fund and its shareholders, including incurring legal defense cost, regulatory costs and increased insurance premiums.

**Loan Risk.** Investments in bank loans may subject the Funds to heightened credit risks because such loans tend to be highly leveraged and potentially more susceptible to the risks of interest deferral, default and/or bankruptcy. Senior floating rate loans are often rated below investment grade, but may also be unrated. The risks associated with these loans can be similar to the risks of below investment grade fixed income instruments. An economic downturn would generally lead to a higher non-payment rate, and a senior floating rate loan may lose significant market value before a default occurs. Moreover, any specific collateral used to secure a senior floating rate loan may decline in value or become illiquid, which would adversely affect the loan's value. Unlike the securities markets, there is no central clearinghouse for loan trades, and the loan market has not established enforceable settlement standards or remedies for failure to settle. Therefore, portfolio transactions in loans may have uncertain settlement time periods. Senior floating rate loans are subject to a number of risks described elsewhere in this Prospectus, including liquidity risk and the risk of investing in below-investment grade fixed income instruments.

**Machinery and Electrical Equipment Industry Risk.** The machinery and electrical equipment industries can be significantly affected by general economic trends, including employment, economic growth, and interest rates; changes in consumer sentiment and spending; overall capital spending levels, which are influenced by an individual company's profitability and broader factors such as interest rates and foreign competition; commodity prices; technical obsolescence; labor relations legislation; government regulation and spending; import controls; and worldwide competition. Companies in these industries also can be adversely affected by liability for environmental damage, depletion of resources, and mandated expenditures for safety and pollution control.

**Management Risk.** The Advisor's reliance on its strategy and its judgments about the value and potential appreciation securities in which the Fund invests may prove to be incorrect, including the Advisor's tactical allocation of the Fund's portfolio among its investments. The ability of the Fund to meet its investment objective is directly related to the Advisor's and/or Sub-Advisor's proprietary investment process. The Advisor's and/or Sub-Advisor's assessment of the relative value of securities, their attractiveness and potential appreciation of particular investments in which the Fund invests may prove to be incorrect and there is no guarantee that the Advisor's and/or Sub-Advisor's investment strategy will produce the desired results.

**Market Risk.** Overall stock and bond market risks may also affect the value of the Fund. Factors such as domestic economic growth and market conditions, interest rate levels and political events

affect the securities markets. Stocks and bonds involve the risk that they may never reach what the manager believes is their full market value, either because the market fails to recognize the security's intrinsic worth or the manager misgauged that worth. They also may decline in price, even though, in theory, they are already undervalued.

**Market Volatility-Linked ETFs Risk.** ETFs that are linked to market volatility have the risks associated with investing in futures. An ETF's use of futures involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the futures contract may not correlate perfectly with the underlying index. Investments in futures involve leverage, which means a small percentage of assets invested in futures can have a disproportionately large impact on the Fund. This risk could cause the ETF to lose more than the principal amount invested. Futures contracts may become mispriced or improperly valued when compared to the adviser's expectation and may not produce the desired investment results. Additionally, changes in the value of futures contracts may not track or correlate perfectly with the underlying index because of temporary, or even long-term, supply and demand imbalances and because futures do not pay dividends unlike the stocks upon which they are based.

**MBS and CMO Risk.** MBS and CMOs are subject to credit risk because underlying loan borrowers may default. MBS and CMO default rates tend to be sensitive to overall economic conditions and to localized property vacancy rates and prices. Borrower default rates may be significantly higher than estimated. Certain individual securities may be more sensitive to default rates because payments may be subordinated to other securities of the same issuer. The Advisor's and/or Sub-Advisor's assessment, or a rating agency's assessment, of borrower credit quality, default rates and loss rates may prove to be overly optimistic. Additionally, MBS and CMOs are subject to prepayment risk because the underlying loans held by the issuers may be paid off prior to maturity at faster or lower rates than expected. The value of these securities may go down as a result of changes in prepayment rates on the underlying mortgages or loans. During periods of declining interest rates, prepayment rates usually increases and the Fund may have to reinvest prepayment proceeds at a lower interest rate. CMOs may be less susceptible to this risk because payment priorities within the CMO may have the effect of a prepayment lock out period.

**Medium (Mid) Capitalization Stock Risk.** To the extent a Fund invests in the stocks of mid-sized companies, the Fund may be subject to additional risks. The earnings and prospects of these companies are more volatile than larger companies. These companies may experience higher failure rates than larger companies. Mid-sized companies normally have a lower trading volume than larger companies, which may tend to make their market price fall more disproportionately than larger companies in response to selling pressures. Mid-sized companies may also have limited markets, product lines or financial resources and may lack management experience.

**Micro Capitalization Risk.** Micro capitalization companies may be newly formed or have limited product lines, distribution channels and financial and managerial resources. The risks associated with those investments are generally greater than those associated with investments in the securities of larger, more established companies. This may cause a Fund's net asset value to be more volatile when compared to investment companies that focus only on large capitalization companies.

Generally, securities of micro capitalization companies are more likely to experience sharper swings in market value, less liquid markets in which it may be more difficult for the Advisor and/or Sub-Advisor to sell at times and at prices that the Advisor and/or Sub-Advisor believes appropriate and generally are more volatile than those of larger companies. Compared to large companies, micro capitalization companies are more likely to have (i) less information publicly available, (ii) more limited product lines or markets and less mature businesses, (iii) fewer capital resources, (iv) more limited management depth and (v) shorter operating histories. Further, the equity securities of micro capitalization companies are often traded over the counter and generally experience a lower trading volume than is typical for securities that are traded on a national securities exchange. Consequently, the Fund may be required to dispose of these securities over a larger period of time (and potentially at less favorable prices) than would be the case for securities of larger companies, offering greater potential for gains and losses and associated tax consequences.

**MLP and MLP-Related Securities Risk.** Investments in MLPs and MLP-related securities involve risks different from those of investing in common stock including risks related to limited control and limited rights to vote on matters affecting the MLP or MLP-related security, risks related to potential conflicts of interest between an MLP and the MLP's general partner, cash flow risks, dilution risks (which could occur if the MLP raises capital and then invests it in projects whose return fails to exceed the cost of capital raised) and risks related to the general partner's limited call right. MLPs and MLP-related securities are generally considered interest-rate sensitive investments. During periods of interest rate volatility, these investments may not provide attractive returns. Depending on the state of interest rates in general, the use of MLPs or MLP-related securities could enhance or harm the overall performance of the Fund.

- *MLP Tax Risk.* MLPs, typically, do not pay U.S. federal income tax at the partnership level. Instead, each partner is allocated a share of the partnership's income, gains, losses, deductions and expenses. A change in current tax law or in the underlying business mix of a given MLP could result in an MLP being treated as a corporation for U.S. federal income tax purposes, which would result in such MLP being required to pay U.S. federal income tax on its taxable income. The classification of an MLP as a corporation for U.S. federal income tax purposes would have the effect of reducing the amount of cash available for distribution by the MLP. Thus, if any of the MLPs owned by the Fund were treated as corporations for U.S. federal income tax purposes, it could result in a reduction of the value of your investment in the Fund and lower income, as compared to an MLP that is not taxed as a corporation.

**Mortgage-Backed Securities Risk.** Mortgage-backed securities represent participating interests in pools of residential mortgage loans, some of which are guaranteed by the U.S. Government, its agencies or instrumentalities. However, the guarantee of these types of securities relates to the principal and interest payments and not the market value of such securities. In addition, the guarantee only relates to the mortgage-backed securities held by a Fund and not the purchase of shares of the Fund.

Mortgage-backed securities do not have a fixed maturity and their expected maturities may vary when interest rates rise or fall. An increased rate of prepayments on the Fund's mortgage-backed securities will result in an unforeseen loss of interest income to the Fund as the Fund may be required to reinvest assets at a lower interest rate. A decreased rate of prepayments lengthens the

expected maturity of a mortgage-backed security. The prices of mortgage-backed securities may decrease more than prices of other fixed-income securities when interest rates rise.

**Municipal Bond Risk.** The value of municipal bonds that depend on a specific revenue source or general revenue source to fund their payment obligations may fluctuate as a result of changes in the cash flows generated by the revenue source(s) or changes in the priority of the municipal obligation to receive the cash flows generated by the revenue source(s). In addition, changes in federal tax laws or the activity of an issuer may adversely affect the tax-exempt status of municipal bonds. There is no guarantee that a municipality will to pay interest or repay principal. In addition, the ability of an issuer to make payments or repay interest may be affected by litigation or bankruptcy. In the event of such an issuer's bankruptcy, the Fund could experience delays in collecting principal and interest, and may not, in all circumstances, be able to collect all principal and interest to which it is entitled. To enforce its rights in the event of a default in the payment of interest or repayment of principal, or both, a debt holder may, in some instances, take possession of, and manage, the assets securing the issuer's obligations on such securities, which may increase the Fund's operating expenses. Any income derived from the Fund's ownership or operation of such assets may not be tax-exempt. Municipal bonds are generally subject to interest rate, credit and market risk.

Because many municipal bonds are issued to finance similar projects (such as those relating to education, health care, housing, transportation, and utilities), conditions in those sectors may affect the overall municipal securities market. In addition, changes in the financial condition of an individual municipal issuer can affect the overall municipal market. Municipal bonds backed by current or anticipated revenues from a specific project or specific assets can be negatively affected by the discontinuance of the supporting taxation or the inability to collect revenues for the specific project or specific assets. Municipal bonds are subject to the risk that the Internal Revenue Service (the "IRS") may determine that an issuer has not complied with applicable tax requirements and that interest from the municipal bond is taxable, which may result in a significant decline in the value of the security. Municipal bonds may be less liquid than taxable bonds and there may be less publicly available information on the financial condition of municipal bond issuers than for issuers of other securities, and the investment performance of the Fund may therefore, be more dependent on the analytical abilities of the Sub-Advisor than if the Fund held other types of investments. The secondary market for municipal bonds also tends to be less well-developed or liquid than many other securities markets, a by-product of lower capital commitments to the asset class by the dealer community, which may adversely affect the Fund's ability to sell municipal bonds at attractive prices or value municipal bonds.

**Non-diversification Risk.** The Funds are non-diversified. This means that they may invest a larger portion of its assets in a limited number of companies than a diversified fund. Because a relatively high percentage of the Funds' assets may be invested in the securities of a limited number of companies that could be in the same or related economic sectors, the Funds' portfolios may be more susceptible to any single economic, technological or regulatory occurrence than the portfolio of a diversified fund.

**Options Market Risk.** Markets for options and options on futures may not always operate on a fair and orderly basis. At times, prices for options and options on futures may not represent fair market value and prices may be subject to manipulation, which may be extreme under some circumstances. The dysfunction and manipulation of volatility and options markets may make it

difficult for the fund to effectively implement its investment strategy and achieve its objectives and could potentially lead to significant losses.

**Options Risk.** There are risks associated with the Fund's options strategy. Generally, options may not be an effective hedge because they may have imperfect correlation to the value of the Fund's portfolio securities. Additionally, the underlying reference instrument on which the option is based may have imperfect correlation to the value of the Fund's portfolio securities. As the buyer of a call option, the Fund risks losing the entire premium invested in the option if the underlying reference instrument does not rise above the strike price, which means the option will expire worthless. As the buyer of a put option, the Fund risks losing the entire premium invested in the option if the underlying reference instrument does not fall below the strike price, which means the option will expire worthless. Additionally, purchased options may decline in value due to changes in price of the underlying reference instrument, passage of time and changes in volatility. As a seller (writer) of a put option, the Fund will lose money if the value of the underlying reference instrument falls below the strike price. As a seller (writer) of a call option, the Fund will lose money if the value of the underlying reference instrument rises above the strike price. The Fund's losses are potentially large in a written put transaction and potentially unlimited in a written call transaction. Option premiums are treated as short-term capital gains and when distributed to shareholders, are usually taxable as ordinary income, which may have a higher tax rate than long-term capital gains for shareholders holding Fund shares in a taxable account.

In general, option prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading options involves risks different from, or possibly greater than, the risks associated with investing directly in securities including:

- *Leverage and Volatility Risk:* Option contracts ordinarily have leverage inherent in their terms. The low initial investment normally required in trading options permits a high degree of leverage. Accordingly, a relatively small price movement in the underlying reference instrument may result in an immediate and substantial loss. The use of options leverage may also cause the Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral requirements. The use of options can amplify the effects of market volatility on the Fund's share price.
- *Liquidity Risk:* Although it is anticipated that the options traded will be actively traded, it is possible that particular options might be difficult to purchase or sell, possibly preventing the Fund from executing positions at an advantageous time or price, or possibly requiring it to dispose of other investments at unfavorable times or prices in order to satisfy its obligations.
- *Tracking Risk:* Options may not be perfect substitutes for the securities or other underlying reference instrument they are intended to track or hedge. Factors such as differences in supply and demand for certain options may cause their returns to deviate from the Sub-Advisor's expectations. Consequently, option returns may not be highly correlated to the securities they are intended to hedge.
- *Sub-strategy Risk:* Certain hedging strategies known as spreads or straddles expose the Fund to the risk that these sub-strategies may not perform as expected. In a spread transaction the



Fund will invest in a combination of long and sold (written) positions on an option on an underlying reference instrument but with, for example, different strike prices. The long option may underperform while the sold option increases in price more than the sub-advisor expects. In a straddle transaction the Fund will invest in long puts and calls or sell puts and calls on an underlying reference instrument. Long straddle options may expire worthless. Short straddle options expose the Fund to potentially large losses on sold puts and potentially unlimited losses on sold calls.

**Over-the-Counter (“OTC”) Trading Risk.** Certain of the derivatives in which a Fund may invest may be traded (and privately negotiated) in the OTC market. While the OTC derivatives market is the primary trading venue for many derivatives, it is largely unregulated. As a result and similar to other privately negotiated contracts, the Fund is subject to counterparty credit risk with respect to such derivative contracts.

**Preferred Stock Risk.** The value of preferred stocks will fluctuate with changes in interest rates. Typically, a rise in interest rates causes a decline in the value of preferred stock. Preferred stocks are also subject to credit risk, which is the possibility that an issuer of preferred stock will fail to make its dividend payments. Preferred stock prices tend to move more slowly upwards than common stock prices. In an issuer bankruptcy, preferred stock holders are subordinate to the claims of debtholders and may receive little or no recovery.

**Prepayment Risk.** A Fund may invest in debt securities that may be paid off early when the issuer of a debt security can repay the principal prior to a security’s maturity. If interest rates are falling, the Fund may have to reinvest the unanticipated proceeds at lower interest rates, resulting in a decline in the Fund’s income.

**Real Estate and REIT Risk.** A Fund is subject to the risks of the real estate market as a whole, such as taxation, regulations and economic and political factors that negatively impact the real estate market and the direct ownership of real estate. These may include decreases in real estate values, overbuilding, rising operating costs, interest rates and property taxes. In addition, some real estate related investments are not fully diversified and are subject to the risks associated with financing a limited number of projects. Investing in REITs involves certain unique risks in addition to those associated with the real estate sector generally. REITs whose underlying properties are concentrated in a particular industry or region are also subject to risks affecting such industries and regions. REITs (especially mortgage REITs) are also subject to interest rate risks. By investing in REITs through the Fund, a shareholder will bear expenses of the REITs in addition to Fund expenses. An entity that fails to qualify as a REIT would be subject to a corporate level tax, would not be entitled to a deduction for dividends paid to its shareholders and would not pass through to its shareholders the character of income earned by the entity.

**Regulatory Risk.** Regulatory authorities in the United States or other countries may adopt rules that restrict the ability of a Fund to fully implement its strategy, either generally, or with respect to certain securities, industries or countries, which may impact the Fund’s ability to fully implement its investment strategies. Regulators may interpret rules differently than the Fund or the mutual fund industry generally, and disputes over such interpretations can increase in legal expenses incurred by the Fund.

**Repurchase and Reverse Repurchase Agreements Risk.** A Fund may enter into repurchase agreements in which it purchases a security (known as the "underlying security") from a

securities dealer or bank. In the event of a bankruptcy or other default by the seller of a purchase agreement, a Fund could experience delays in liquidating the underlying security and losses in the event of a decline in the value of the underlying security while the Fund is seeking to enforce its rights under the repurchase agreement. Reverse repurchase agreements involve the sale of securities held by a Fund with an agreement to repurchase the securities at an agreed-upon price, date and interest payment, and involve the risk that (i) the other party may fail to return the securities in a timely manner, or at all, and (ii) the market value of assets that are required to be repurchased decline below the purchase price of the asset that has to be sold, resulting in losses to the Fund.

**Restricted Securities Risk.** A Fund may hold securities that are restricted as to resale under the U.S. federal securities laws. There can be no assurance that a trading market will exist at any time for any particular restricted security. Limitations on the resale of these securities may prevent the Fund from disposing of them promptly at reasonable prices or at all. A Fund may have to bear the expense of registering the securities for resale and the risk of substantial delays in effecting the registration. Also, restricted securities may be difficult to value because market quotations may not be readily available, and the values of restricted securities may have significant volatility.

**Risk Management Risk.** The measures that the Advisor, Sub-Advisors or portfolio manager use to monitor and manage the risks of the Fund may not accomplish the intended results and a Fund may experience losses significantly greater than expected.

**Sector Concentration Risk.** Sector concentration risk is the possibility that securities within the same sector will decline in price due to sector-specific market or economic developments. If a Fund invests more heavily in a particular sector, the value of its shares may be especially sensitive to factors and economic risks that specifically affect that sector. As a result, the Fund's share price may fluctuate more widely than the value of shares of a mutual fund that invests in a broader range of sectors. Additionally, some sectors could be subject to greater government regulation than other sectors. Therefore, changes in regulatory policies for those sectors may have a material effect on the value of securities issued by companies in those sectors.

**Security Risk.** The value of a Fund may decrease in response to the activities and financial prospects of an individual security in the Fund's portfolio. The net asset value of a Fund will fluctuate based on changes in the value of the securities in which the Fund invests. A Fund invests in securities that may be more volatile and carry more risk than some other forms of investment. The price of securities may rise or fall because of economic or political changes. Security prices in general may decline over short or even extended periods of time. Market prices of securities in broad market segments may be adversely affected by a prominent issuer having experienced losses, lack of earnings, failure to meet the market's expectations with respect to new products or services, or even by factors wholly unrelated to the value or condition of the issuer, such as changes in interest rates

**Segregation Risk.** In order to secure its obligations to cover its short positions on options, a Fund will either own the underlying assets, enter into offsetting transactions or set aside cash or readily marketable securities. This requirement may cause the Fund to miss favorable trading opportunities, due to a lack of sufficient cash or readily marketable securities. This requirement may also cause the Fund to realize losses on offsetting or terminated derivative contracts or special transactions.

**Short Selling Risk.** If a security or other instrument sold short increases in price, a Fund may have to cover its short position at a higher price than the short sale price, resulting in a loss. A Fund may have substantial short security positions and must borrow those securities to make delivery to the buyer. The Fund may not be able to borrow a security that it needs to deliver or it may not be able to close out a short position at an acceptable price and may have to sell related long positions before it had intended to do so. Thus, the Fund may not be able to successfully implement its short sale strategy due to limited availability of desired securities or for other reasons.

A Fund also may be required to pay a commission and other transaction costs, which would increase the cost of the security sold short. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the commission, dividends, interest or expenses the Fund may be required to pay in connection with the short sale.

Until a Fund replaces a borrowed security, it is required to maintain a segregated account of cash or liquid assets with a broker or custodian to cover the Fund's short position. Generally, securities held in a segregated account cannot be sold unless they are replaced with other liquid assets. A Fund's ability to access the pledged collateral may also be impaired in the event the broker fails to comply with the terms of the contract. In such instances a Fund may not be able to substitute or sell the pledged collateral. Additionally, a Fund must maintain sufficient liquid assets (less any additional collateral pledged to the broker), marked-to-market daily, to cover the short sale obligations. This may limit the Fund's investment flexibility, as well as its ability to meet redemption requests or other current obligations.

Because losses on short sales arise from increases in the value of the security sold short, such losses are theoretically unlimited. By contrast, a loss on a long position arises from decreases in the value of the security and is limited by the fact that a security's value cannot go below zero.

**Smaller Capitalization Stock Risk.** To the extent a Fund invests in the stocks of smaller-sized companies, the Fund may be subject to additional risks. The earnings and prospects of these companies are more volatile than larger companies. Smaller-sized companies may experience higher failure rates than do larger companies. The trading volume of securities of smaller-sized companies is normally less than that of larger companies and, therefore, may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies. Smaller-sized companies may have limited markets, product lines or financial resources and may lack management experience.

**Sovereign Debt Risk.** The issuer of the foreign debt or the governmental authorities that control the repayment of the debt may be unable or unwilling to repay principal or interest when due, and a Fund may have limited recourse in the event of a default. The market prices of sovereign debt, and the Fund's net asset value, may be more volatile than prices of U.S. debt obligations and certain emerging markets may encounter difficulties in servicing their debt obligations.

**Structured Note Risk.** A Fund may seek investment exposure to sectors through structured notes that may be exchange traded or may trade in the over the counter market. These notes are typically issued by banks or brokerage firms, and have interest and/or principal payments which are linked to changes in the price level of certain assets or to the price performance of certain indices. The value of a structured note will be influenced by time to maturity, level of supply and demand for this type of note, interest rate and market volatility, changes in the issuer's credit

quality rating, and economic, legal, political, events that affect the industry, and adverse changes in the index or reference asset to which payments are linked. In addition, there may be a lag between a change in the value of the underlying reference asset and the value of the structured note. Structured notes may also be subject to issuer default risk. A Fund is also exposed to increased transaction costs when it seeks to sell such notes in the secondary market.

**Sub-Prime Mortgage Risk.** Lower-quality notes, such as those considered "sub-prime" are more likely to default than those considered "prime" by a rating evaluation agency or service provider. An economic downturn or period of rising interest rates could adversely affect the market for sub-prime notes and reduce a Fund's ability to sell these securities. The lack of a liquid market for these securities could decrease a Fund's share price. Additionally, borrowers may seek bankruptcy protection which would delay resolution of security holder claims and may eliminate or materially reduce liquidity.

**Swap Risk.** A Fund may use swaps to enhance returns and manage risk. A Fund's use of swaps involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) the risk that the counterparty to a derivative transaction may not fulfill its contractual obligations; (ii) risk of mispricing or improper valuation; and (iii) the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. Derivative prices are highly volatile and may fluctuate substantially during a short period of time. Such prices are influenced by numerous factors that affect the markets, including, but not limited to: changing supply and demand relationships; government programs and policies; national and international political and economic events, changes in interest rates, inflation and deflation and changes in supply and demand relationships. Trading derivative instruments involves risks different from, or possibly greater than, the risks associated with investing directly in securities. Derivative contracts ordinarily have leverage inherent in their terms. The low margin deposits normally required in trading derivatives, including futures contracts, permit a high degree of leverage. Accordingly, a relatively small price movement may result in an immediate and substantial loss to a Fund. The use of leverage may also cause a Fund to liquidate portfolio positions when it would not be advantageous to do so in order to satisfy its obligations or to meet collateral segregation requirements. The use of leveraged derivatives can magnify a Fund's potential for loss and, therefore, amplify the effects of market volatility on the Fund's share price.

**Taxation Risk.** If a Fund invests in commodities indirectly through a subsidiary, the Fund will obtain exposure to the commodities markets within the federal tax requirements that apply to the Fund. A subsidiary is classified as a controlled foreign corporation for US tax purposes. Typically any gains/losses from trading in 1256 futures contracts, such as exchange-traded commodity futures contracts, are taxed 60% as long term capital gains/losses and 40% short term capital gains/losses. However, because a subsidiary is a controlled foreign corporation, any income received from its investments will be passed through to a Fund as ordinary income and reflected on shareholder's tax Form 1099s as such.

**Technology Sector Risk.** Technology companies face intense competition, both domestically and internationally, which may have an adverse effect on profit margins. Technology companies may have limited product lines, markets, financial resources or personnel. The products of technology companies may face obsolescence due to rapid technological developments and frequent new product introduction, unpredictable changes in growth rates and competition for the

services of qualified personnel. Companies in the technology sector are heavily dependent on patent and intellectual property rights. The loss or impairment of these rights may adversely affect the profitability of these companies.

**Tracking Risk of ETFs.** The ETFs in which a Fund may invest will not be able to replicate exactly the performance of the indices or sector they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which a Fund may invest will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETFs' ability to track their applicable indices.

**Turnover Rate Risk.** A Fund may have portfolio turnover rates in excess of 100%. Increased portfolio turnover causes a Fund to incur higher brokerage costs, which may adversely affect the Fund's performance and may produce increased taxable distributions.

**U.S. Agency Securities Risk.** A Fund may invest in U.S. government or agency obligations. Securities issued or guaranteed by federal agencies and U.S. government sponsored entities may or may not be backed by the full faith and credit of the U.S. government. In the case of securities not backed by the full faith and credit of the United States, a Fund must look principally to the agency issuing or guaranteeing the obligation for ultimate repayment and may not be able to assert a claim against the United States itself in the event the agency or instrumentality does not meet its commitments.

**U.S. Government Obligations Risk.** U.S. Treasury obligations are backed by the "full faith and credit" of the U.S. government and generally have negligible credit risk. Securities issued or guaranteed by federal agencies or authorities and U.S. government-sponsored instrumentalities or enterprises may or may not be backed by the full faith and credit of the U.S. government. A Fund may be subject to such risk to the extent it invests in securities issued or guaranteed by federal agencies or authorities and U.S. government-sponsored instrumentalities or enterprises.

**Volatility Risk.** Using derivatives can create leverage, which can amplify the effects of market volatility on a Fund's share price and make the Fund's returns more volatile, which means that the Fund's performance may be subject to substantial short term changes up or down.

### **Portfolio Holdings Disclosure Policies**

A description of the Funds' policies regarding disclosure of the securities in the Funds' portfolios is found in the Statement of Additional Information.

### **Cybersecurity**

The computer systems, networks and devices used by the Funds and their service providers to carry out routine business operations employ a variety of protections designed to prevent damage or interruption from computer viruses, network failures, computer and telecommunication failures, infiltration by unauthorized persons and security breaches. Despite the various protections utilized by the Funds and their service providers, systems, networks, or devices potentially can be breached. The Funds and their shareholders could be negatively impacted as a result of a cybersecurity breach.

Cybersecurity breaches can include unauthorized access to systems, networks, or devices; infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. Cybersecurity breaches may cause disruptions and impact the Funds' business operations, potentially resulting in financial losses; interference with the Funds' ability to calculate their NAV; impediments to trading; the inability of the Funds, the Advisor, and other service providers to transact business; violations of applicable privacy and other laws; regulatory fines, penalties, reputational damage, reimbursement or other compensation costs, or additional compliance costs; as well as the inadvertent release of confidential information.

Similar adverse consequences could result from cybersecurity breaches affecting issuers of securities in which the Funds invest; counterparties with which the Funds engage in transactions; governmental and other regulatory authorities; exchange and other financial market operators, banks, brokers, dealers, insurance companies, and other financial institutions (including financial intermediaries and service providers for the Funds' shareholders); and other parties. In addition, substantial costs may be incurred by these entities in order to prevent any cybersecurity breaches in the future.

## **HOW TO BUY SHARES**

### **Purchasing Shares**

You may buy shares on any business day. This includes any day that the Funds are open for business, other than weekends and days on which the New York Stock Exchange ("NYSE") is closed, including the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving and Christmas Day.

Each Fund calculates its net asset value ("NAV") per share as of the close of regular trading on the NYSE every day the NYSE is open. The NYSE normally closes at 4:00 p.m. Eastern Time ("ET"). Each Fund's NAV is calculated by taking the total value of the Fund's assets, subtracting its liabilities, and then dividing by the total number of shares outstanding, rounded to the nearest cent.

All shares will be purchased at the NAV per share (plus applicable sales charges, if any) next determined after the Fund receives your application or request in good order. All requests received in good order by the Fund before 4:00 p.m. (ET) will be processed on that same day. Requests received after 4:00 p.m. will be processed on the next business day.

When making a purchase request, make sure your request is in good order. "Good order" means your purchase request includes:

- the name of the Fund and share class
- the dollar amount of shares to be purchased
- a completed purchase application or investment stub
- check payable to the applicable Fund

## Sales Charge Waivers and Reductions Available Through Certain Financial Intermediaries

The availability of certain sales charge waivers and discounts may depend on whether you purchase your shares directly from the fund or through a financial intermediary. Intermediaries may impose different sales charges other than those listed below for Class A shares and may have different policies and procedures regarding the availability of sales load and waivers or reductions. Such intermediary-specific sales charge variations are described in Appendix A to this prospectus, titled “Intermediary-Specific Sales Charge Reductions and Waivers”. Appendix A is incorporated by reference into (or legally considered part of) this prospectus.

In all instances, it is the shareholder’s responsibility to notify the Fund or the shareholder’s financial intermediary at the time of purchase of any relationship or other facts qualifying the shareholder for sales charge reductions or waivers. For reductions and waivers not available through a particular intermediary, shareholders will have to purchase Fund shares directly from the Fund or through another intermediary to receive these reductions or waivers.

### Multiple Classes

Each Fund offers Class A, Class C and Class I shares. Each Class of shares has a different distribution arrangement and expenses to provide for different investment needs. This allows you to choose the class of shares most suitable for you depending on the amount and length of investment and other relevant factors. Sales personnel may receive different compensation for selling each class of shares. Each class of shares represents an interest in the same portfolio of investments in a Fund. Not all share classes may be available in all states.

### Class A Shares

You can buy Class A shares at the public offering price, which is the NAV plus an up-front sales charge. You may qualify for a reduced sales charge, or the sales charge may be waived, as described below. The up-front sales charge also does not apply to Class A shares acquired through reinvestment of dividends and capital gains distributions. Class A shares are subject to a 12b-1 fee which is lower than the 12b-1 fee for the Class C shares.

The up-front Class A sales charge and the commissions paid to dealers for the Asset Rotation Fund, Hedged Market Opportunity Fund and Global Innovations Fund are as follows:

Amount of Purchase	Sales Charge as % of Public Offering Price	Sales Charge as % of Net Amount Invested	Authorized Dealer Commission as % of Public Offering Price
Less than \$50,000	5.75%	6.10%	5.00%
\$50,000 but less than \$100,000	4.75%	4.99%	4.00%
\$100,000 but less than \$250,000	4.00%	4.17%	3.25%
\$250,000 but less than \$500,000	3.00%	3.09%	2.50%

\$500,000 but less than \$1,000,000	2.50%	2.56%	2.00%
\$1,000,000 and above	1.00%	1.01%	1.00%

The up-front Class A sales charge and the commissions paid to dealers for the Income Opportunities Fund and the Bond Rotation Fund are as follows:

Amount of Purchase	Sales Charge as % of Public Offering Price	Sales Charge as % of Net Amount Invested	Authorized Dealer Commission as % of Public Offering Price
Less than \$50,000	4.75%	4.99%	4.00%
\$50,000 but less than \$100,000	4.25%	4.44%	3.50%
\$100,000 but less than \$250,000	3.75%	3.90%	3.00%
\$250,000 but less than \$500,000	2.50%	2.56%	2.00%
\$500,000 but less than \$1,000,000	2.00%	2.04%	1.50%
\$1,000,000 and above	1.00%	1.01%	1.00%

### How to Reduce Your Sales Charge

The Funds offer a number of ways to reduce or eliminate the up-front sales charge on Class A shares.

#### Class A Sales Charge Reductions

Reduced sales charges are available to shareholders with investments of \$50,000 or more. In addition, you may qualify for reduced sales charges under the following circumstances.

**Letter of Intent:** An investor may qualify for a reduced sales charge immediately by stating his or her intention to invest in one or more of the funds in the AlphaCentric Family of Funds, during a 13-month period, an amount that would qualify for a reduced sales charge and by signing a Letter of Intent, which may be signed at any time within 90 days after the first investment to be included under the Letter of Intent. However, if an investor does not buy enough shares to qualify for the lower sales charge by the end of the 13-month period (or when you sell your shares, if earlier), the additional shares that were purchased due to the reduced sales charge credit the investor received will be liquidated to pay the additional sales charge owed.

**Rights of Accumulation:** You may add the current value of all of your existing AlphaCentric Fund shares to determine the front-end sales charge to be applied to your current Class A purchase. Only balances currently held entirely at the Funds or, if held in an account through a financial services firm, at the same firm through whom you are making your current purchase, will be eligible to be added to your current purchase for purposes of determining your Class A sales charge. You may include the value of AlphaCentric Funds' investments held by the



members of your immediately family, including the value of Funds' investments held by you or them in individual retirement plans, such as individual retirement accounts, or IRAs, provided such balances are also currently held entirely at the Funds or, if held in an account through a financial services firm, at the same financial services firm through whom you are making your current purchase. The value of shares eligible for a cumulative quantity discount equals the cumulative cost of the shares purchased (not including reinvested dividends) or the current account market value; whichever is greater. The current market value of the shares is determined by multiplying the number of shares by the previous day's NAV. If you believe there are cumulative quantity discount eligible shares that can be combined with your current purchase to achieve a sales charge breakpoint, you must, at the time of your purchase (including at the time of any future purchase) specifically identify those shares to your current purchase broker-dealer.

**Class A Sales Charge Waivers:** The Funds may sell Class A shares at NAV (i.e. without the investor paying any initial sales charge) to certain categories of investors, including: (1) investment advisory clients or investors referred by the Funds' Advisor or its affiliates; (2) officers and present or former Trustees of the Trust; directors and employees of selected dealers or agents; the spouse, sibling, direct ancestor or direct descendant (collectively "relatives") of any such person; any trust, individual retirement account or retirement plan account for the benefit of any such person or relative; or the estate of any such person or relative; if such shares are purchased for investment purposes (such shares may not be resold except to the Fund); (3) the Funds' Advisor or its affiliates and certain employee benefit plans for employees of the Funds' investment; (4) fee-based financial planners and registered investment advisors who are purchasing on behalf of their clients, where there is an agreement in place with respect to such purchases; (5) registered representatives of broker-dealers who have entered into selling agreements with the Funds' Advisor for their own accounts; and (6) participants in no-transaction-fee programs of broker dealers that have entered into an agreement with respect to such purchases.

Please refer to the Statement of Additional Information for detailed program descriptions and eligibility requirements. Additional information is available by calling 1-844-ACFUNDS (1-844-223-8637). Your financial advisor can also help you prepare any necessary application forms. You or your financial advisor must notify the Funds at the time of each purchase if you are eligible for any of these programs. The Funds may modify or discontinue these programs at any time. Information on sales charge reductions and/or waivers is not separately available on the Funds' website because it is contained in this Prospectus.

For more information regarding which intermediaries may have agreements with the Fund or distributor and their policies and procedures with respect to purchases at NAV, see Appendix A to this prospectus, titled "Intermediary-Specific Sales Charge Reductions and Waivers". In addition, certain intermediaries may provide for different sales charge discounts, which are described in Appendix A to this prospectus, entitled "Intermediary-Specific Charge Reductions and Waivers".

### **Class C Shares**

You can buy Class C shares at NAV. Class C shares are subject to a 12b-1 fee of 1.00%, payable to the Advisor or selected dealers. Because Class C shares pay a higher 12b-1 fee than Class A shares, Class C shares have higher ongoing expenses than Class A shares.

## **Class I Shares**

Sales of Class I shares are not subject to a front-end sales charge and the Funds Class I shares, except the Hedged Market Opportunity Fund and Global Innovations Fund, are not subject to an annual 12b-1 fee. The Hedged Market Opportunity Fund and Global Innovations Fund have adopted a 12b-1 plan for Class I Shares pursuant to which the Class is subject to a 12b-1 fee of 0.25% of its average daily net assets. The 12b-1 plan has not been implemented for the Class and there are no plans to do so. Availability of Class I shares is subject to agreement between the distributor and financial intermediary.

## **Opening an Account**

You may purchase shares directly through the Funds' transfer agent or through a brokerage firm or other financial institution that has agreed to sell Fund shares. If you purchase shares through a brokerage firm or other financial institution, you may be charged a fee by the firm or institution.

If you are investing directly in a Fund for the first time, please call toll-free 1-844-ACFUND (1-844-223-8637) to request a Shareholder Account Application. You will need to establish an account before investing. Be sure to sign up for all the account options that you plan to take advantage of. For example, if you would like to be able to redeem your shares by telephone, you should select this option on your Shareholder Account Application. Doing so when you open your account means that you will not need to complete additional paperwork later.

If you are purchasing through the Funds' transfer agent, send the completed Shareholder Account Application and a check payable to the appropriate Fund to the following address:

AlphaCentric Funds  
c/o Gemini Fund Services, LLC  
17605 Wright Street, Suite 2  
Omaha NE 68130

All purchases must be made in U.S. dollars and checks must be drawn on U.S. banks. No cash, credit cards or third party checks will be accepted. A \$20 fee will be charged against your account for any payment check returned to the transfer agent or for any incomplete electronic funds transfer, or for insufficient funds, stop payment, closed account or other reasons. If a check does not clear your bank or a Fund is unable to debit your predesignated bank account on the day of purchase, the Fund reserves the right to cancel the purchase. If your purchase is canceled, you will be responsible for any losses or fees imposed by your bank and losses that may be incurred as a result of a decline in the value of the canceled purchase. Your investment in a Fund should be intended to serve as a long-term investment vehicle. The Funds are not designed to provide you with a means of speculating on the short-term fluctuations in the stock market. Each Fund reserves the right to reject any purchase request that it regards as disruptive to the efficient management of the Fund, which includes investors with a history of excessive trading. Each Fund also reserves the right to stop offering shares at any time.

If you choose to pay by wire, you must call the Funds' transfer agent, at 1-844-ACFUNDS (1-844-223-8637) to obtain instructions on how to set up your account and to obtain an account number and wire instructions.

Wire orders will be accepted only on a day on which the Funds, custodian and transfer agent are open for business. A wire purchase will not be considered made until the wired money and purchase order are received by the Funds. Any delays that may occur in wiring money, including delays that may occur in processing by the banks, are not the responsibility of the Funds or the transfer agent. The Funds presently do not charge a fee for the receipt of wired funds, but the Funds may charge shareholders for this service in the future.

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens an account. This means that when you open an account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask for other identifying documents or information, and may take additional steps to verify your identity. We may not be able to open your account or complete a transaction for you until we are able to verify your identity.

### **Minimum Purchase Amount**

The minimum initial investment in all share classes is \$2,500 for a regular account, \$2,500 for an IRA account, or \$100 for an automatic investment plan account. The minimum subsequent investment for each class of shares in a Fund is \$100 for all accounts. The Funds reserve the right to change the amount of these minimums from time to time or to waive them in whole or in part for certain accounts. Investment minimums may be higher or lower for investors purchasing shares through a brokerage firm or other financial institution. To the extent investments of individual investors are aggregated into an omnibus account established by an investment advisor, broker or other intermediary, the account minimums apply to the omnibus account, not to the account of the individual investor.

### **Automatic Investment Plan**

You may open an automatic investment plan account with a \$100 initial purchase and a \$100 monthly investment. If you have an existing account that does not include the automatic investment plan, you can contact the Funds' transfer agent to establish an automatic investment plan. The automatic investment plan provides a convenient method to have monies deducted directly from your bank account for investment in the Funds. You may authorize the automatic withdrawal of funds from your bank account for a minimum amount of \$100. The Funds may alter, modify or terminate this plan at any time. To begin participating in this plan, please complete the Automatic Investment Plan Section found on the application or contact the Funds at 1-844-ACFUNDS (1-844-223-8637).

### **Additional Investments**

The minimum subsequent investment in the Funds is \$100. You may purchase additional shares of a Fund by check or wire. Your bank wire should be sent as outlined above. You also may purchase Fund shares by making automatic periodic investments from your bank account. To use this feature, select the automatic investment option in the account application and provide

the necessary information about the bank account from which your investments will be made. You may revoke your election to make automatic investments by calling 1-844-ACFUNDS (1-844-223-8637) or by writing to the Fund at:

AlphaCentric Funds  
c/o Gemini Fund Services, LLC  
17605 Wright Street, Suite 2  
Omaha NE 68130

### **Other Purchase Information**

Each Fund may limit the amount of purchases and refuse to sell to any person. If your wire does not clear, you will be responsible for any loss incurred by the Fund. If you are already a shareholder, each Fund can redeem shares from any identically registered account in the Fund as reimbursement for any loss incurred. You may be prohibited or restricted from making future purchases in the Funds.

Each Fund has authorized certain broker-dealers and other financial institutions (including their designated intermediaries) to accept on its behalf purchase and sell orders. These broker-dealers and financial institutions may charge a fee for their services. A Fund is deemed to have received an order when the authorized person or designee receives the order, and the order is processed at the NAV next calculated thereafter. It is the responsibility of the broker-dealer or other financial institution to transmit orders promptly to the Funds' transfer agent.

### **Market Timing**

The Funds discourage market timing. Market timing is an investment strategy using frequent purchases, redemptions and/or exchanges in an attempt to profit from short term market movements. To the extent that a Fund significantly invests in small or mid-capitalization equity securities or derivative investments, because these securities are often infrequently traded, investors may seek to trade Fund shares in an effort to benefit from their understanding of the value of these securities (referred to as price arbitrage). Market timing may result in dilution of the value of Fund shares held by long term shareholders, disrupt portfolio management and increase Fund expenses for all shareholders. The Board of Trustees has adopted a policy directing the Funds to reject any purchase order with respect to one investor, a related group of investors or their agent(s), where it detects a pattern of purchases and sales of a Fund that indicates market timing or trading that it determines is abusive. This policy applies uniformly to all Fund shareholders. While the Funds attempt to deter market timing, there is no assurance that they will be able to identify and eliminate all market timers. For example, certain accounts called "omnibus accounts" include multiple shareholders. Omnibus accounts typically provide each Fund with a net purchase or redemption request on any given day where purchasers of Fund shares and redeemers of Fund shares are netted against one another and the identities of individual purchasers and redeemers whose orders are aggregated are not known by the Fund. The netting effect often makes it more difficult for the Funds to detect market timing, and there can be no assurance that the Funds will be able to do so.

## HOW TO REDEEM SHARES

You may redeem your shares on any business day. Redemption orders received in good order by the Funds' transfer agent or by a brokerage firm or other financial institution that sells Fund shares before 4:00 p.m. ET (or before the NYSE closes if the NYSE closes before 4:00 p.m. ET) will be effective at that day's NAV. Your brokerage firm or financial institution may have an earlier cut-off time.

Shares of the Funds may be redeemed by mail or telephone. If you redeem your shares through a broker-dealer or other institution, you may be charged a fee by that institution.

The Funds typically expect that it will take up to five business days following the receipt of your redemption request to pay out redemption proceeds by check or electronic transfer. The Funds typically expect to pay redemptions from cash, cash equivalents, proceeds from the sale of Fund shares, any lines of credit, and then from the sale of portfolio securities. These redemption payment methods will be used in regular and stressed market conditions.

**By Mail.** You may redeem any part of your account in a Fund at no charge by mail. Your request, in good order, should be addressed to:

AlphaCentric Funds  
c/o Gemini Fund Services, LLC  
17605 Wright Street, Suite 2  
Omaha NE 68130

“Good order” means your request for redemption must:

- Include the Fund name and account number;
- Include the account name(s) and address;
- State the dollar amount or number of shares you wish to redeem; and
- Be signed by all registered share owner(s) in the exact name(s) and any special capacity in which they are registered.

The Funds may require that the signatures be guaranteed if you request the redemption check be mailed to an address other than the address of record, or if the mailing address has been changed within 30 days of the redemption request. The Funds may also require that signatures be guaranteed for redemptions of \$100,000 or more. Signature guarantees are for the protection of shareholders. You can obtain a signature guarantee from most banks and securities dealers, but not from a notary public. For joint accounts, both signatures must be guaranteed. Please call the transfer agent at 1-844-ACFUNDS (1-844-223-8637) if you have questions. At the discretion of the Funds, you may be required to furnish additional legal documents to insure proper authorization.

**By Telephone.** You may redeem any part of your account in a Fund by calling the transfer agent at 1-844-ACFUNDS (1-844-223-8637). You must first complete the Optional Telephone Redemption and Exchange section of the investment application to institute this option. The Funds, the transfer agent and the custodian are not liable for following redemption instructions

communicated by telephone to the extent that they reasonably believe the telephone instructions to be genuine. However, if they do not employ reasonable procedures to confirm that telephone instructions are genuine, they may be liable for any losses due to unauthorized or fraudulent instructions. Procedures employed may include recording telephone instructions and requiring a form of personal identification from the caller.

The Funds may terminate the telephone redemption procedures at any time. During periods of extreme market activity it is possible that shareholders may encounter some difficulty in telephoning the Funds, although neither the Funds nor the transfer agent have ever experienced difficulties in receiving and in a timely fashion responding to telephone requests for redemptions or exchanges. If you are unable to reach the Funds by telephone, you may request a redemption or exchange by mail.

**Redemptions in Kind:** The Funds reserve the right to honor requests for redemption or repurchase orders by making payment in whole or in part in readily marketable securities (“redemption in kind”) if the amount is greater than the lesser of \$250,000 or 1% of a Fund’s assets. The securities will be chosen by a Fund and valued under a Fund’s net asset value procedures. A shareholder will be exposed to market risk until these securities are converted to cash and may incur transaction expenses in converting these securities to cash. However, the Board of Trustees of the Trust has determined that, until otherwise approved by the Board, all redemptions in a Fund be made in cash only. If the Board determines to allow the Funds to redeem in kind in the future, the Funds will provide shareholders with notice of such change to the redemption policy.

**Additional Information.** If you are not certain of the requirements for redemption please call the transfer agent at 1-844-ACFUND (1-844-223-8637). Redemptions specifying a certain date or share price cannot be accepted and will be returned. You may be assessed a fee if a Fund incurs bank charges because you request that the Fund re-issue a redemption check. Also, when the NYSE is closed (or when trading is restricted) for any reason other than its customary weekend or holiday closing or under any emergency circumstances, as determined by the Securities and Exchange Commission, the Funds may suspend redemptions or postpone payment dates.

Because each Fund incurs certain fixed costs in maintaining shareholder accounts, a Fund may require you to redeem all of your shares in the Fund on 30 days written notice if the value of your shares in the Fund is less than \$2,500 due to redemption, or such other minimum amount as the Fund may determine from time to time. You may increase the value of your shares in a Fund to the minimum amount within the 30-day period. All shares of a Fund are also subject to involuntary redemption if the Board of Trustees determines to liquidate the Fund. An involuntary redemption will create a capital gain or a capital loss, which may have tax consequences about which you should consult your tax advisor.

## **Exchange Privilege**

You may exchange shares of a particular class of a Fund only for shares of the same class of another Fund. For example, you can exchange Class A shares of the Income Opportunities Fund for Class A shares of the Asset Rotation Fund. Shares of the Fund selected for exchange must be available for sale in your state of residence. You must meet the minimum purchase requirements for the Fund you purchase by exchange. For tax purposes, exchanges of shares

involve a sale of shares of the Fund you own and a purchase of the shares of the other Fund, which may result in a capital gain or loss.

### **Converting Shares**

Shareholders of a Fund may elect on a voluntary basis to convert their shares in one class of the Fund into shares of a different class of the same Fund, subject to satisfying the eligibility requirements for investment in the new share class. Shares may only be converted into a share class with a lower expense ratio than the original share class. Shares held through a financial intermediary offering a fee-based or wrap fee program that has an agreement with the Advisor or the Funds' distributor may be automatically converted by the financial intermediary, without notice, to a share class with a lower expense ratio than the original share class, if such conversion is consistent with the fee-based or wrap fee program's policies.

An investor may directly or through his or her financial intermediary contact the Funds to request a voluntary conversion between share classes of the same Fund as described above. You may be required to provide sufficient information to establish eligibility to convert to the new share class. All permissible conversions will be made on the basis of the relevant NAVs of the two classes without the imposition of any sales load, redemption fee or other charge. A share conversion within a Fund will not result in a capital gain or loss for federal income tax purposes. The Funds may change, suspend or terminate this conversion feature at any time.

## **DISTRIBUTION PLANS**

Each Fund has adopted distribution and service plans under Rule 12b-1 of the Investment Company Act of 1940 that allows each Fund to pay distribution and/or service fees in connection with the distribution of its Class A Shares, Class C Shares and Class I Shares (with respect to the Hedged Market Opportunities Fund and Global Innovations Fund only), and for services provided to shareholders. Because these fees are paid out of Fund assets on an ongoing basis, over time these fees will increase the cost of your investment and may cost you more than paying other types of sales charges.

### **Class A Shares**

Under the Funds' Plan related to the Class A Shares, each Fund may pay an annual fee of up to 0.50% of the average daily net assets of the respective Fund's Class A Shares (the "Class A 12b-1 Fee") for shareholder services and distribution related expenses. Each Fund is currently paying a Class A 12b-1 Fee of 0.25% of its average daily net assets. If authorized by the Board of Trustees and upon notice to shareholders, the Fund may increase the percentage paid under the Plan up to the Class A 12b-1 Fee amount. All or a portion of the distribution and services fees may be paid to your financial advisor for providing ongoing services to you.

### **Class C Shares**

Under the Funds' Plan related to the Class C Shares, each Fund may pay an annual fee of up to 1.00% of the average daily net assets of the respective Fund's Class C Shares. All or a portion of the distribution and services fees may be paid to your financial advisor for providing ongoing service to you.

## **Class I Shares** (*Hedged Market Opportunity Fund and Global Innovations Fund only*)

Under the Funds' Plans related to the Class I Shares, each Fund pays an annual fee of 0.25% of the average daily net assets of the Fund's Class I Shares. Neither Fund is currently paying 12b-1 fees, and there are no plans to impose these fees.

### **VALUING THE FUNDS' ASSETS**

Each Fund's assets are generally valued at their market value. If market prices are not available or, in the Advisor's opinion, market prices do not reflect fair value, or if an event occurs after the close of trading on the domestic or foreign exchange or market on which the security is principally traded (but prior to the time the NAV is calculated) that materially effects fair value, the Advisor will value the Funds' assets at their fair value according to policies approved by the Board of Trustees. For example, if trading in a portfolio security is halted and does not resume before the Fund calculates its NAV, the Advisor may need to price the security using the Fund's fair value pricing guidelines. In these cases, the Funds' NAV will reflect certain portfolio securities' fair value rather than their market price. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security. The fair value prices can differ from market prices when they become available or when a price becomes available. Without a fair value price, short term traders could take advantage of the arbitrage opportunity and dilute the NAV of long term investors. Securities trading on overseas markets present time zone arbitrage opportunities when events effecting portfolio security values occur after the close of the overseas market, but prior to the close of the U.S. market. Fair valuation of a Fund's securities can serve to reduce arbitrage opportunities available to short term traders, but there is no assurance that fair value pricing policies will prevent dilution of a Fund's NAV by short term traders. The Funds may use pricing services to determine market value. The NAV for a Fund investing in other investment companies is calculated based upon the NAV of the underlying investment companies in its portfolio, and the prospectuses of those companies explain the circumstances under which they will use fair value pricing and the effects of using fair value pricing. Because the Funds may invest in securities primarily listed on foreign exchanges, and these exchanges may trade on weekends or other days when the Funds do not price its shares, the value of some of the Funds' portfolio securities may change on days when you may not be able to buy or sell Fund shares.

### **DIVIDENDS, DISTRIBUTIONS AND TAXES**

#### **Dividends and Distributions**

Each Fund typically distributes substantially all of its net investment income in the form of dividends and taxable capital gains to its shareholders. These distributions are automatically reinvested in the applicable Fund unless you request cash distributions on your application or through a written request to the Fund. Each Fund expects that its distributions will consist of both capital gains and dividend income. The Asset Rotation Fund, Managed Futures Strategy Fund and Global Innovations Fund intend to make annual dividend distributions. The Bond Rotation Fund and the Income Opportunities Fund intend to make monthly dividend



distributions. Each Fund may make distributions of its net realized capital gains (after any reductions for capital loss carry forwards) annually.

Please refer to the sub-heading “Distribution Policy and Goals” under the sections heading “Additional Information About the Fund’s Principal Investment Strategies and Related Risks – Principal Investment Strategies – AlphaCentric Income Opportunities Fund” and “Additional Information About the Fund’s Principal Investment Strategies and Related Risks – Principal Investment Risks” for a detailed description of the AlphaCentric Income Opportunities Fund’s distribution policy and tax consequences.

## **Taxes**

In general, selling shares of a Fund and receiving distributions (whether reinvested or taken in cash) are taxable events. Depending on the purchase price and the sale price, you may have a gain or a loss on any shares sold. Any tax liabilities generated by your transactions or by receiving distributions are your responsibility. You may want to avoid making a substantial investment when the Fund is about to make a taxable distribution because you would be responsible for any taxes on the distribution regardless of how long you have owned your shares. A Fund may produce capital gains even if it does not have income to distribute and performance has been poor.

Early each year, the Funds will mail to you a statement setting forth the federal income tax information for all distributions made during the previous year. If you do not provide your taxpayer identification number, your account will be subject to backup withholding.

The tax considerations described in this section do not apply to tax-deferred accounts or other non-taxable entities. Because each investor’s tax circumstances are unique, please consult with your tax advisor about your investment.

## **MANAGEMENT OF THE FUNDS**

### **Advisor**

AlphaCentric Advisors LLC, a Delaware limited liability company located at 36 North New York Avenue, Huntington, NY, 11743 serves as Advisor to the Funds. The Advisor was formed in February 2014. Management of the Funds is currently its primary business. The Advisor is under common control with Catalyst Capital Advisors LLC and Rational Advisors, Inc, the investment advisers of other funds in the same group of investment companies also known as a “fund complex”. Information regarding the funds in the Fund Complex can be found at <http://intelligentaltfunds.com>. Under the terms of the management agreement, AlphaCentric Advisors LLC is responsible for formulating the Funds’ investment policies, making ongoing investment decisions and engaging in portfolio transactions.

### **Portfolio Manager: AlphaCentric Hedged Market Opportunity Fund**

Russell Kellites is primarily responsible for the day-to-day management of the Fund’s portfolio.

## ***Russell Kellites***

Russell Kellites has been the portfolio manager of the Fund since its inception in 2016. He has been a portfolio manager at the Advisor since 2016 and has served as Managing Director of Theta Capital Partners since 2008. Prior to joining Theta Capital Partners, Mr. Kellites' employment included Goldman Sachs & Co where he was an Associate and Merrill Lynch & Co where he was a Vice President. Mr. Kellites attended Columbia University where he received a BS in computer science (*cum laude*), matriculated in the MS computer science program, with a focus in artificial intelligence, and received an MBA.

## **Sub-Advisor: AlphaCentric Asset Rotation Fund and the AlphaCentric Bond Rotation Fund**

Keystone Wealth Advisors LLC ("Keystone" or "Sub-Advisor"), a Utah limited liability company located at 595 S. Riverwoods Pkwy Ste 170, Logan, UT, 84321, is the investment sub-advisor to the Asset Rotation Fund and the Bond Rotation Fund. In addition to serving as a Sub-Advisor, Keystone is a registered investment advisor providing investment and planning advice to individuals, businesses and endowments.

Subject to the oversight and approval of the Advisor, Keystone is responsible for making investment decisions and executing portfolio transactions for the Asset Rotation Fund and Bond Rotation Fund. In addition, Keystone is responsible for maintaining certain transaction and compliance related records of the Asset Rotation Fund and Bond Rotation Fund. As compensation for the sub-advisory services it provides to the Funds, the Advisor, and not the Funds, will pay Keystone 50% of the management fees that the Advisor receives from each of the Asset Rotation Fund and Bond Rotation Fund.

## **Portfolio Managers: AlphaCentric Asset Rotation Fund and AlphaCentric Bond Rotation Fund**

Gordon Nelson, CPA, CFP®, and Tyler Vanderbeek, CFP®, CMT, are primarily responsible for the day-to-day management of the Asset Rotation Fund and Bond Rotation Fund's portfolios. Mr. Nelson is the lead portfolio manager of each of the Asset Rotation Fund and Bond Rotation Fund.

### ***Gordon Nelson, CPA, CFP® and Chief Investment Strategist of Keystone***

Gordon Nelson has served as Chief Investment Strategist and portfolio manager of Keystone since founding the firm in 2003. Mr. Nelson has served as the lead portfolio manager of each of the Asset Rotation Fund and Bond Rotation Fund since its inception. Prior to founding Keystone, Mr. Nelson has worked as a partner in a CPA firm and as a financial advisor with Merrill Lynch. Mr. Nelson has a Master's Degree in Accounting from Utah State University.

### ***Tyler Vanderbeek, CFP®, Portfolio Manager of Keystone***

Tyler Vanderbeek has served as portfolio manager of Keystone since April 2007. He has served as a portfolio manager of each of the Asset Rotation Fund and Bond Rotation Fund since its inception. Mr. Vanderbeek is educated through The American College and Utah State University and successfully earned the nationally recognized designation of Certified Financial Planner. Mr. Vanderbeek completed the Chartered Market Technician® designation in 2016. The

Chartered Market Technician® designation is awarded to those who demonstrate mastery of a core body of knowledge of investment risk in portfolio management settings and hold themselves to the highest ethical standards.

### **Sub-Advisor: AlphaCentric Income Opportunities Fund**

Garrison Point Capital, LLC, located at 100 Pine Street, Suite 2700, San Francisco, CA 94111, serves as investment sub-advisor to the Income Opportunities Fund. Garrison Point was founded in 2012 and, in addition to serving as investment sub-advisor to the Income Opportunities Fund, provides investment advice to individuals, high net worth individuals, trusts and various institutions.

Subject to the oversight and approval of the Advisor, Garrison Point is responsible for making investment decisions and executing portfolio transactions for the Income Opportunities Fund. In addition, Garrison Point is responsible for maintaining certain transaction and compliance related records of the Income Opportunities Fund. As compensation for the sub-advisory services it provides to the Income Opportunities Fund, the Advisor, and not the Fund, will pay Garrison Point 50% of the net management fees that the Advisor receives from the Income Opportunities Fund.

### **Portfolio Managers: AlphaCentric Income Opportunities Fund**

Tom Miner, Garrett Smith and Brian Loo are jointly and primarily responsible for the day-to-day management of the Income Opportunities Fund's portfolio.

#### ***Tom Miner, Principal and Portfolio Manager of Garrison Point***

Tom Miner has been a Principal and Portfolio Manager of Garrison Point since 2012. He has also been a Principal and Portfolio Manager of Garrison Point Funds, LLC since 2012, a Registered Representative of S.F. Sentry Securities, Inc. since 2012 and a Registered Investment Advisor representative of San Francisco Sentry Investment Group since 2012. From 2009 to co-founding Garrison Point in 2012, Mr. Miner was a Director of Barclays Capital, Inc. From 2007 to 2009, Mr. Miner was the Chief Executive Officer of Xootr, LLC, a manufacturer of folding bikes and scooters, and, from 1994 to 2007, he served in various roles for Lehman Brothers, Inc. focusing on structuring of fixed income products and building Lehman Brothers' West Coast securitized products business. Mr. Miner holds a BA, BS and MBA from the University of Utah where he is also an adjunct professor of finance teaching Fixed Income Analysis and Venture Capital classes.

#### ***Garrett Smith, Principal and Portfolio Manager of Garrison Point***

Garrett Smith has been a Principal and Portfolio Manager of Garrison Point since 2012. He has also been a Principal and Portfolio Manager of Garrison Point Funds, LLC since 2012, a Registered Representative of S.F. Sentry Securities, Inc. since 2012 and a Registered Investment Advisor representative of San Francisco Sentry Investment Group since 2012. From 2008 to co-founding Garrison Point in 2012, Mr. Smith was Vice President of Barclays Capital, Inc. and, from 2006 to 2008, he was a Securitized Product Trader for Lehman Brothers, Inc. where he traded agency and non-agency mortgage backed securities. From 1996 to 2005, Mr. Smith was

an officer in the U.S. Navy. Mr. Smith received MBA and MEM degrees from Northwestern University and BS degrees from the United States Naval Academy and University of Maryland.

***Brian Loo, Portfolio Manager of Garrison Point***

Brian Loo has been a Portfolio Manager of Garrison Point since 2013. He has also been the Managing Director of Garrison Point Funds, LLC and a Registered Representative of S.F. Sentry Securities, Inc. since 2013. Mr. Loo joined the Sub-Advisor in 2013 from The TCW Group, Inc. where he served as a Portfolio Manager in the Structured Products Group beginning in 2009. Mr. Loo began his career as Senior Vice President in the mortgage backed securities department of TCW in 1994 and left TCW in 1996 to become a founding member Principal of Metropolitan West Asset Management, a fixed income money manager, which was acquired by TCW in 1996. Mr. Loo holds a BS from UCLA, an MSIA from Carnegie Mellon Tepper School of Business and is a CFA charterholder.

**Sub-Advisor: AlphaCentric Global Innovations Fund**

Pacific View Asset Management, LLC (“Pacific View”), located at 600 Montgomery Street, 5<sup>th</sup> Floor, San Francisco, California, 94111-2702, serves as investment sub-advisor to the Fund. Pacific View was formed in June 2012 and, in addition to serving as investment sub-advisor to the Fund, provides investment advice to institutional investors, high net worth individuals and pooled investment vehicles.

Subject to the oversight and approval of the Advisor, Pacific View is responsible for making investment decisions and executing portfolio transactions for the Fund. In addition, Pacific View is responsible for maintaining certain transaction and compliance related records of the Fund. As compensation for the sub-advisory services it provides to the Global Innovations Fund, the Advisor will pay Pacific View 50% of the net management fees that the Advisor receives from the Fund.

**Portfolio Manager: AlphaCentric Global Innovations Fund**

Brian Gahsman is primarily responsible for the day-to-day management of the Global Innovations Fund's portfolio.

***Brian Gahsman***

Brian Gahsman, Portfolio Manager of Pacific View’s Global Innovations Team, has been the portfolio manager of Global Innovations Fund since its commencement of operations in 2017. Mr. Gahsman was a founder and the Chief Investment Officer of Gahsman Branton, LLC from its inception in 2016 to its merger with the Sub-Advisor in 2017. Prior thereto, Mr. Gahsman was employed by The Leuthold Group as an Operations Research Analyst/Institutional Trader (2008 to 2013), and as a Portfolio Manager (2013-2015). Mr. Gahsman graduated with a Bachelor of Business Administration in Finance from the Haworth College of Business at Western Michigan University.

The Statement of Additional Information provides additional information about each portfolio manager’s compensation, other accounts managed and ownership of securities in his managed Fund.

## Advisory Fees

	Contractual Advisory Fee	Net Advisory Fee Received	Expense Limitation
Asset Rotation Fund	1.25%	0.29%	Class A - 1.49% Class C - 2.24% Class I - 1.24%
Income Opportunities Fund	1.50%	1.30%	Class A - 1.74% Class C - 2.49% Class I - 1.49%
Bond Rotation Fund	1.25%	0.16%	Class A - 1.49% Class C - 2.24% Class I - 1.24%
Hedged Market Opportunity Fund	1.75%	1.30%	Class A - 2.24% Class C - 2.99% Class I - 1.99%
Global Innovations Fund	1.25%	0.21%	Class A - 1.65% Class C - 2.40% Class I - 1.40%

Each Fund is authorized to pay the Advisor an annual fee based on its average daily net assets. The advisory fee is paid monthly. The Advisor has contractually agreed to waive fees and/or reimburse expenses, but only to the extent necessary to maintain each Fund's total annual operating expenses (excluding brokerage costs; underlying fund expenses; borrowing costs, such as (a) interest and (b) dividends on securities sold short; taxes; and extraordinary expenses) at a certain level.

The following table describes (i) the contractual advisory fee, (ii) the advisory fees, after waivers, as a percentage of each Fund's average net assets, received by the Adviser for the Fund's most recent fiscal year and (iii) the expense limitation for each Fund.

The Funds may directly enter into agreements with financial intermediaries (which may include banks, brokers, securities dealers and other industry professionals) pursuant to which a Fund will pay the financial intermediary for services such as networking or sub-transfer agency, including the maintenance of "street name" or omnibus accounts and related sub-accounting, record-keeping and administrative services provided to such accounts. Each Fund, through its rule 12b-1 distribution plan, or each Fund's respective Advisor or Sub-Advisor (not the Fund) may also pay certain financial intermediaries a fee for providing distribution related services for each respective Fund's shareholders to the extent these institutions are allowed to do so by applicable statute, rule or regulation. Please refer to the section of the Statement of Additional Information entitled "Additional Compensation to Financial Intermediaries" for more information.

A discussion regarding the basis of the Board of Trustees' renewal of the management agreement with the Advisor with respect to the Hedged Market Opportunity Fund will be available in the Trust's semi-annual report to shareholders for the period ended September 30, 2018. A discussion regarding the basis of the Board of Trustees' approval of the management agreement with the Advisor with respect to the Global Innovations Fund is available in the Trust's semi-annual report to shareholders dated September 30, 2017. A discussion regarding the basis of the Board of Trustees' renewal of the management agreement with the Advisor with

respect to the Asset Rotation Fund, the Income Opportunities Fund, and the Bond Rotation Fund; the sub-advisory agreement between the Advisor and Keystone with respect to the Asset Rotation Fund; the sub-advisory agreement between the Advisor and Garrison Point with respect to the Income Opportunities Fund; and the sub-advisory agreement between the Advisor and Keystone with respect to the Bond Rotation Fund; and the sub-advisory agreement between the Advisor and Pacific View with respect to the Global Innovations Fund is available in the Trust's semi-annual report to shareholders for the period ended September 30, 2017.

## FINANCIAL HIGHLIGHTS

### AlphaCentric Asset Rotation Fund

The following table is intended to help you better understand the Asset Rotation Fund's financial performance since its inception. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in the Fund, assuming reinvestment of all dividends and distributions. The information for the fiscal periods ended March 31, 2015, 2016, 2017, and 2018 has been audited by Cohen & Company, Ltd., an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the annual report, which is available upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

Class A (ROTAX)	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016	Period Ended March 31, 2015 (1)
Net asset value, beginning of period	\$ 8.67	\$ 8.96	\$ 10.11	\$ 10.00
Activity from investment operations:				
Net investment income (2)	0.17	0.09	0.12	0.03
Net realized and unrealized gain (loss) on investments	0.94	(0.15)	(0.96)	0.13 (9)
Total from investment operations	1.11	(0.06)	(0.84)	0.16
Less distributions from:				
Net investment income	(0.22)	(0.23)	-	(0.05)
Net realized gains	-	-	(0.31)	-
Total distributions	(0.22)	(0.23)	(0.31)	(0.05)
Net asset value, end of period	\$ 9.56	\$ 8.67	\$ 8.96	\$ 10.11
Total return (3)	12.79%	(0.60)%	(8.38)%	1.55% (6)
Net assets, at end of period (000s)	\$ 8,165	\$ 10,589	\$ 18,613	\$ 43,358
Ratio of gross expenses to average net assets before				
expense reimbursement (4)(5)(7)	2.45%	2.11%	2.11%	1.98%
Ratio of net expenses to average net assets after expense reimbursement (5)(7)	1.49%	1.49%	1.49%	1.49%
Ratio of net investment income to average net assets (5)(7)(8)	1.78%	1.09%	1.22%	0.43%
Portfolio Turnover Rate	494%	691%	593%	238% (6)

(1) The AlphaCentric Asset Rotation Fund Class A commenced operations on July 31, 2014.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) The ratios of expenses to average net assets and net investment income (loss) to average net assets do not reflect the expenses of the underlying investment companies in which the Fund invests.

(8) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

(9) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statements of Operations due to share transactions during the period.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class C (ROTCX)</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Period Ended March 31, 2015 (1)</b>
Net asset value, beginning of period	\$ 8.67	\$ 8.89	\$ 10.11	\$ 10.00
Activity from investment operations: Net investment income (loss) (2)	0.09	0.03	0.03	(0.03)
Net realized and unrealized gain (loss) on investments	0.94	(0.15)	(0.94)	0.18 (9)
Total from investment operations	1.03	(0.12)	(0.91)	0.15
Less distributions from:				
Net investment income	(0.07)	(0.10)	-	(0.04)
Net realized gains	-	-	(0.31)	-
Total distributions	(0.07)	(0.10)	(0.31)	(0.04)
Net asset value, end of period	\$ 9.63	\$ 8.67	\$ 8.89	\$ 10.11
Total return (3)	11.85% (10)	(1.35)%	(9.08)%	1.47% (6)
Net assets, at end of period (000s)	\$ 667	\$ 845	\$ 2,279	\$ 1,926
Ratio of gross expenses to average net assets before expense reimbursement (4)(5)(7)	3.20%	2.86%	2.86%	2.73%
Ratio of net expenses to average net assets after expense reimbursement or recapture(5)(7)	2.24%	2.24%	2.24%	2.24%
Ratio of net investment income (loss) to average net assets (5)(7)(8)	1.00%	0.33%	0.36%	(0.44)%
Portfolio Turnover Rate	494%	691%	593%	238% (6)

(1) The AlphaCentric Asset Rotation Fund Class C shares commenced operations on July 31, 2014.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) The ratios of expenses to average net assets and net investment income (loss) to average net assets do not reflect the expenses of the underlying investment companies in which the Fund invests.

(8) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

(9) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statements of Operations due to share transactions during the period.

(10) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class I (ROTIX)</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>	<b>Year Ended March 31, 2016</b>	<b>Period Ended March 31, 2015 (1)</b>
Net asset value, beginning of period	\$ 8.66	\$ 8.99	\$ 10.12	\$ 10.00
Activity from investment operations: Net investment income (2)	0.20	0.12	0.13	0.05
Net realized and unrealized gain (loss) on investments	0.93	(0.17)	(0.95)	0.12 (9)
Total from investment operations	1.13	(0.05)	(0.82)	0.17
Less distributions				



from: Net investment income	(0.26)	(0.28)	-	(0.05)
Net realized gains	-	-	(0.31)	-
Total distributions	(0.26)	(0.28)	(0.31)	(0.05)
Net asset value, end of period	\$ 9.53	\$ 8.66	\$ 8.99	\$ 10.12
Total return (3)	13.05%	(0.42)%	(8.18)%	1.72% (6)
Net assets, at end of period (000s)	\$ 3,172	\$ 4,396	\$ 13,557	\$ 20,840
Ratio of gross expenses to average net assets before expense reimbursement (4)(5)(7)	2.20%	1.86%	1.86%	1.73%
Ratio of net expenses to average net assets after expense reimbursement (5)(7)	1.24%	1.24%	1.24%	1.24%
Ratio of net investment income to average net assets (5)(7)(8)	2.20%	1.44%	1.37%	0.85%
Portfolio Turnover Rate	494%	691%	593%	238% (6)

(1) The AlphaCentric Asset Rotation Fund Class I shares commenced operations on July 31, 2014.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) The ratios of expenses to average net assets and net investment income (loss) to average net assets do not reflect the expenses of the underlying investment companies in which the Fund invests.

(8) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

(9) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statements of Operations due to share transactions during the period.

## AlphaCentric Bond Rotation Fund

The following table is intended to help you better understand the Bond Rotation Fund's financial performance since its inception. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in the Fund, assuming reinvestment of all dividends and distributions. The information for the fiscal periods ended March 31, 2016, 2017, and 2018 have been audited by Cohen & Company, Ltd., an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the annual report, which is available upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class A (BDRA<del>X</del>)</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>	<b>Period Ended March 31, 2016 (1)</b>
Net asset value, beginning of period	\$ 9.52	\$ 9.58	\$ 10.00
Activity from investment operations:			
Net investment income (2)	0.24	0.23	0.15
Net realized and unrealized loss on investments	(0.02)	(0.05)	(0.43)
Total from investment operations	0.22	0.18	(0.28)
Less distributions from:			
Net investment income	(0.25)	(0.24)	(0.14)
Total distributions	(0.25)	(0.24)	(0.14)
Net asset value, end of period	\$ 9.49	\$ 9.52	\$ 9.58
Total return (3)	2.27%	1.91%	(2.74)% (6)
Net assets, at end of period (000s)	\$ 9,497	\$ 6,634	\$ 9,869
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)(7)	2.57%	2.62%	2.64%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)(7)	1.49%	1.49%	1.49%
Ratio of net investment income to average net assets (5)(7)(8)	2.50%	2.40%	1.82%
Portfolio Turnover Rate	586%	524%	476% (6)

(1) The AlphaCentric Bond Rotation Fund Class A shares commenced operations on May 28, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) The ratios of expenses to average net assets and net investment income (loss) to average net assets do not reflect the expenses of the underlying investment companies in which the Fund invests.

(8) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class C (BDRCX)</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>	<b>Period Ended March 31, 2016 (1)</b>
Net asset value, beginning of period	\$ 9.59	\$ 9.56	\$ 10.00
Activity from investment operations:			
Net investment income (2)	0.18	0.13	0.09
Net realized and unrealized gain (loss) on investments	(0.03)	0.06	(0.42)
Total from investment operations	0.15	0.19	(0.33)
Less distributions from:			
Net investment income	(0.17)	(0.16)	(0.11)
Total distributions	(0.17)	(0.16)	(0.11)
Net asset value, end of period	\$ 9.57	\$ 9.59	\$ 9.56
Total return (3)	1.54%	2.07%	(3.25)% (6)
Net assets, at end of period (000s)	\$ 1	\$ 1	\$ 71
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)(7)	3.32%	3.37%	3.39%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)(7)	2.24%	2.24%	2.24%
Ratio of net investment income to average net assets (5)(7)(8)	1.81%	1.43%	1.18%
Portfolio Turnover Rate	586%	524%	476% (6)

(1) The AlphaCentric Bond Rotation Fund Class C shares commenced operations on May 28, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) The ratios of expenses to average net assets and net investment income (loss) to average net assets do not reflect the expenses of the underlying investment companies in which the Fund invests.

(8) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class I (BDRIX)</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>	<b>Period Ended March 31, 2016(1)</b>
Net asset value, beginning of period	\$ 9.53	\$ 9.59	\$ 10.00
Activity from investment operations:			
Net investment income (2)	0.27	0.26	0.18
Net realized and unrealized loss on investments	(0.03)	(0.06)	(0.43)
Total from investment operations	0.24	0.20	(0.25)

Less distributions from:			
Net investment income	(0.27)	(0.26)	(0.16)
Total distributions	(0.27)	(0.26)	(0.16)
Net asset value, end of period	\$ 9.50	\$ 9.53	\$9.59
Total return (3)	2.50%	2.15%	(2.48)% (6)
Net assets, at end of period (000s)	\$ 248	\$ 249	\$ 59
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)(7)	2.32%	2.37%	4.39%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)(7)	1.24%	1.24%	1.24%
Ratio of net investment income to average net assets (5)(7)(8)	2.83%	2.76%	2.29%
Portfolio Turnover Rate	586%	524%	476% (6)

(1)The AlphaCentric Bond Rotation Fund Class I shares commenced operations on May 28, 2015.

(2)Per share amounts calculated using the average shares method.

(3)Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4)Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5)Annualized for periods less than one year.

(6)Not annualized.

(7)The ratios of expenses to average net assets and net investment income (loss) to average net assets do not reflect the expenses of the underlying investment companies in which the Fund invests.

(8)Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

## AlphaCentric Income Opportunities Fund

The following table is intended to help you better understand the Income Opportunities Fund's financial performance since its inception. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in the Fund, assuming reinvestment of all dividends and distributions. The information for fiscal period ended March 31, 2016, 2017, and 2018 has been audited by Cohen & Company, Ltd., an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the annual report, which is available upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout the Period Presented

<b>Class A (IOFAX)</b>	<b>Year Ended March 31, 2018</b>	<b>Year Ended March 31, 2017</b>	<b>Period Ended March 31, 2016 (1)</b>
Net asset value, beginning of period	\$ 11.46	\$ 10.72	\$ 10.00
Activity from investment operations:			
Net investment income (2)	0.58	0.50	0.39
Net realized and unrealized gain on investments	0.76	0.78	0.69
Total from investment operations	1.34	1.28	1.08
Less distributions from:			
Net investment income	(0.57)	(0.53)	(0.35)
Return of capital	-	(0.01)	(0.01)
Total distributions	(0.57)	(0.54)	(0.36)
Paid-in-Capital From Redemption Fees	-	0.00 (9)	-
Net asset value, end of period	\$ 12.23	\$ 11.46	\$ 10.72
Total return (3)	11.91%	12.22%	10.82%
Net assets, at end of period (000s)	\$ 293,712	\$ 109,712	\$ 27,654
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	1.97% (10)	2.08%	2.26%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	1.77% (10)	1.74%	1.74%
Ratio of net investment income to average net assets (5)(7)	4.79%	4.39%	4.35%
Portfolio Turnover Rate	31%	10%	6%

(1) The AlphaCentric Income Opportunities Fund Class A shares commenced operations on May 28, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

(8) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not

(9) Less than \$0.01

(10) Includes 0.03% for the year ended March 31, 2018 attributed to line of credit fees which are not subject to waiver by the manager.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

Class C (IOFCX)	Year Ended	Year Ended	Period Ended
	March 31, 2018	March 31, 2017	March 31, 2016 (1)
Net asset value, beginning of period	\$ 11.43	\$ 10.71	\$ 10.00
Activity from investment operations:			
Net investment income (2)	0.49	0.39	0.34
Net realized and unrealized gain on investments	0.77	0.81	0.68 (8)
Total from investment operations	1.26	1.20	1.02
Less distributions from:			
Net investment income	(0.49)	(0.47)	(0.30)
Return of capital	-	(0.01)	(0.01)
Total distributions	(0.49)	(0.48)	(0.31)
Paid-in-Capital From Redemption Fees	-	0.00 (9)	-
Net asset value, end of period	\$ 12.20	\$ 11.43	\$ 10.71
Total return (3)	11.17% (11)	11.36%	10.19% (6)
Net assets, at end of period (000s)	\$ 56,959	\$ 18,574	\$ 1,118
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	2.72% (10)	2.83%	3.01%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	2.52% (10)	2.49%	2.49%
Ratio of net investment income to average net assets (5)(7)	4.05%	3.42%	3.78%
Portfolio Turnover Rate	31%	10%	6% (6)

(1) The AlphaCentric Income Opportunities Fund Class C shares commenced operations on May 28, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

- (7) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.
- (8) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not
- (9) Less than \$0.01
- (10) Includes 0.03% for the year ended March 31, 2018 attributed to line of credit fees which are not subject to waiver by the manager.
- (11) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

	Year Ended March 31, 2018	Year Ended March 31, 2017	Period Ended March 31, 2016 (1)
<b>Class I (IOFIX)</b>			
Net asset value, beginning of period	\$ 11.47	\$ 10.72	\$ 10.00
Activity from investment operations:			
Net investment income (2)	0.62	0.52	0.43
Net realized and unrealized gain on investments	0.76	0.80	0.67 (8)
Total from investment operations	1.38	1.32	1.10
Less distributions from:			
Net investment income	(0.60)	(0.56)	(0.37)
Return of capital	-	(0.01)	(0.01)
Total distributions	(0.60)	(0.57)	(0.38)
Paid-in-Capital From Redemption Fees	-	0.00 (9)	-
Net asset value, end of period	\$ 12.25	\$ 11.47	\$ 10.72
Total return (3)	12.25% (11)	12.56%	11.00% (6)
Net assets, at end of period (000s)	\$ 1,352,105	\$ 374,895	\$ 73,073
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	1.72% (10)	1.83%	2.01%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	1.52% (10)	1.49%	1.49%
Ratio of net investment income to average net assets (5)(7)	5.06%	4.56%	4.85%
Portfolio Turnover Rate	31%	10%	6% (6)

(1) The AlphaCentric Income Opportunities Fund Class I shares commenced operations on May 28, 2015.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) Recognition of net investment income (loss) is affected by the timing and declaration of dividends by the underlying investment companies in which the Fund invests.

(8) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not

(9) Less than \$0.01

(10) Includes 0.03% for the year ended March 31, 2018 attributed to line of credit fees which are not subject to waiver by the manager.

(11) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.



## AlphaCentric Hedged Market Opportunity Fund

The following table is intended to help you better understand the Hedged Market Opportunity Fund's financial performance since its inception. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in the Fund, assuming reinvestment of all dividends and distributions. The information for the fiscal periods ended March 31, 2017 and 2018 have been audited by Cohen & Company, Ltd., an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the annual report, which is available upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout The Period Presented

<b>Class A (HMXAX)</b>	<b>Year Ended March 31, 2018</b>	<b>Period Ended March 31, 2017 (1)</b>
Net asset value, beginning of period	\$ 18.54	\$ 18.06
Activity from investment operations:		
Net investment loss (2)	(0.28)	(0.21)
Net realized and unrealized gain (loss) on investments	(1.44)	0.72 (8)
Total from investment operations	(1.72)	0.51
Less distributions from:		
Net realized gains	(0.56)	(0.03)
Total distributions	(0.56)	(0.03)
Net asset value, end of period	\$ 16.26	\$ 18.54
Total return (3)	(9.68)% (11)(12)	2.82% (6)
Net assets, at end of period (000s)	\$ 3,073	\$ 1,906
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	3.07% (10)	4.32% (9)
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	2.60% (10)	2.60% (9)
Ratio of net investment loss to average net assets (5)	(1.54)% (10)	(2.27)% (9)
Portfolio Turnover Rate (7)	0%	0% (6)

(1) AlphaCentric Hedged Market Opportunity Fund Class A commenced operations on September 30, 2016.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) All securities whose maturity or expiration date at the time of acquisition were one year or less are excluded from the portfolio turnover calculation.

(8) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statements of Operations due to share transactions during the period.

(9) Includes 0.36% for the period ended March 31, 2017 attributable to margin expense on short sales, which is not subject to waiver by the manager.

- (10) Includes 0.36% for the year ended March 31, 2018 attributable to margin expense on short sales, which is not subject to waiver by the manager.
- (11) Includes increase from payments made by affiliated parties of 0.22% for the A shares for March 31, 2018 related to the pricing error reimbursement. Without these transactions, total return would have been (9.90)% for the A shares for March 31, 2018.
- (12) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class C (HMXCX)</b>	<b>Year Ended March 31, 2018</b>	<b>Period Ended March 31, 2017 (1)</b>
Net asset value, beginning of period	\$ 18.49	\$ 18.06
Activity from investment operations:		
Net investment loss (2)	(0.42)	(0.31)
Net realized and unrealized gain (loss) on investments	(1.41)	0.77 (8)
Total from investment operations	(1.83)	0.46
Less distributions from:		
Net realized gains	(0.56)	(0.03)
Total distributions	(0.56)	(0.03)
Net asset value, end of period	\$ 16.10	\$ 18.49
Total return (3)	(10.30)% (11)(12)	2.54% (6)
Net assets, at end of period (000s)	\$ 191	\$ 75
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	3.80% (10)	5.07% (9)
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	3.34% (10)	3.35% (9)
Ratio of net investment loss to average net assets (5)	(2.29)% (10)	(3.02)% (9)
Portfolio Turnover Rate (7)	0%	0% (6)

(1) AlphaCentric Hedged Market Opportunity Fund Class C commenced operations on September 30, 2016.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) All securities whose maturity or expiration date at the time of acquisition were one year or less are excluded from the portfolio turnover calculation.

(8) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statements of Operations due to share transactions during the period.

(9) Includes 0.36% for the period ended March 31, 2017 attributable to margin expense on short sales, which is not subject to waiver by the manager.

(10) Includes 0.35% for the year ended March 31, 2018 attributable to margin expense on short sales, which is not subject to waiver by the manager.

(11) Includes increase from payments made by affiliated parties of 0.22% for the C shares for March 31, 2018 related to the pricing error reimbursement. Without these transactions, total return would have been (10.52)% for the C shares for March 31, 2018.

(12) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout Each Period Presented

<b>Class I (HMXIX)</b>	<b>Year Ended March 31, 2018</b>	<b>Period Ended March 31, 2017 (1)</b>
Net asset value, beginning of period	\$ 18.57	\$ 18.06
Activity from investment operations:		
Net investment loss (2)	(0.28)	(0.19)
Net realized and unrealized gain (loss) on investments	(1.31)	0.73 (8)
Total from investment operations	(1.59)	0.54
Less distributions from:		
Net realized gains	(0.56)	(0.03)
Total distributions	(0.56)	(0.03)
Net asset value, end of period	\$ 16.42	\$ 18.57
Total return (3)	(8.94)% (11)(12)	2.98% (6)
Net assets, at end of period (000s)	\$ 9,433	\$ 10,512
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	2.90% (10)	4.07% (9)
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	2.46% (10)	2.35% (9)
Ratio of net investment loss to average net assets (5)	(1.48)% (10)	(2.02)% (9)
Portfolio Turnover Rate (7)	0%	0% (6)

(1) AlphaCentric Hedged Market Opportunity Fund Class I commenced operations on August 31, 2011 and does not include performance prior to September 30, 2016 when Class I shares were previously shares of a private fund.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

(7) All securities whose maturity or expiration date at the time of acquisition were one year or less are excluded from the portfolio turnover calculation.

(8) Realized and unrealized gains and losses per share in this caption are balancing amounts necessary to reconcile the change in net asset value per share for the period, and may not reconcile with the aggregate gains and losses in the Statements of Operations due to share transactions during the period.

(9) Includes 0.36% for the period ended March 31, 2017 attributable to margin expense on short sales, which is not subject to waiver by the manager.

(10) Includes 0.47% for the year ended March 31, 2018 attributable to margin expense on short sales, which is not subject to waiver by the manager.

(11) Includes increase from payments made by affiliated parties of 0.28% for the I shares for March 31, 2018 related to the pricing error reimbursement. Without these transactions, total return would have been (9.22)% for the I shares for March 31, 2018.

(12) Includes adjustments in accordance with accounting principles generally accepted in the United States and consequently the net asset value for financial reporting purposes and the returns based upon those net asset values may differ from the net asset values and returns for shareholder transactions.

## AlphaCentric Global Innovations Fund

The following table is intended to help you better understand the Global Innovation Fund's financial performance since its inception. Certain information reflects financial results for a single Fund share. Total return represents the rate you would have earned (or lost) on an investment in the Fund, assuming reinvestment of all dividends and distributions. The information for the fiscal period ended March 31, 2018 has been audited by Cohen & Company, Ltd., an independent registered public accounting firm, whose report, along with the Fund's financial statements, is included in the annual report, which is available upon request.

Per Share Data and Ratios for a Share of Beneficial Interest Outstanding Throughout The Period Presented

<b>Period Ended March 31, 2018</b>	<b>Class A (GNXAX) (1)</b>	<b>Class C (GNXCX) (1)</b>	<b>Class I (GNXIX) (1)</b>
Net asset value, beginning of period	\$ 10.00	\$ 10.00	\$ 10.00
Activity from investment operations:			
Net investment loss (2)	(0.09)	(0.16)	(0.04)
Net realized and unrealized gain on investments	2.81	2.81	2.80
Total from investment operations	2.72	2.65	2.76
Less distributions from:			
Net realized gains	(0.22)	(0.22)	(0.22)
Total distributions	(0.22)	(0.22)	(0.22)
Net asset value, end of period	\$ 12.50	\$ 12.43	\$ 12.54
Total return (3)(6)	27.33%	26.63%	27.73%
Net assets, at end of period (000s)	\$ 13,178	\$ 212	\$ 14,556
Ratio of gross expenses to average net assets before expense reimbursement or recapture (4)(5)	2.30%	3.25%	2.76%
Ratio of net expenses to average net assets after expense reimbursement or recapture (5)	1.65%	2.40%	1.40%
Ratio of net investment loss to average net assets (5)	(0.85)%	(1.57)%	(0.42)%
Portfolio Turnover Rate (6)	178%	178%	178%

(1) AlphaCentric Global Innovations Fund Class A, Class C and Class I commenced operations on May 31, 2017.

(2) Per share amounts calculated using the average shares method.

(3) Total return in the above table is historical in nature and represents the rate that the investor would have earned or lost on an investment in the Fund assuming reinvestment of dividends and capital gain distributions, if any, and does not reflect the impact of sales charges. Had the manager not waived a portion of the Fund's expenses, total returns would have been lower.

(4) Represents the ratio of expenses to average net assets absent fee waivers and/or expense reimbursements by the manager.

(5) Annualized for periods less than one year.

(6) Not annualized.

## **APPENDIX A:**

### **INTERMEDIARY-SPECIFIC SALES CHARGE REDUCTIONS AND WAIVERS**

Specific intermediaries may have different policies and procedures regarding the availability of sales charge reductions and waivers, which are discussed below. In all instances, it is the shareholder's responsibility to notify the Fund or the shareholder's financial intermediary at the time of purchase of any relationship or other facts qualifying the shareholder for sales charge reductions or waivers.

The information below was provided by the Financial Intermediary. The Fund is not responsible for the accuracy of the information.

#### **MERRILL LYNCH**

Effective April 10, 2017, shareholders purchasing Fund shares through a Merrill Lynch platform or account will be eligible only for the following load waivers (front-end sales charge waivers and contingent deferred, or back-end, sales charge waivers) and discounts, which may differ from those disclosed elsewhere in this Fund's prospectus or SAI.

Front-end Sales Load Waivers on Class A Shares available at Merrill Lynch

- Employer-sponsored retirement, deferred compensation and employee benefit plans (including health savings accounts) and trusts used to fund those plans, provided that the shares are not held in a commission-based brokerage account and shares are held for the benefit of the plan
- Shares purchased by or through a 529 Plan
- Shares purchased through a Merrill Lynch affiliated investment advisory program
- Shares purchased by third party investment advisors on behalf of their advisory clients through Merrill Lynch's platform
- Shares of funds purchased through the Merrill Edge Self-Directed platform (if applicable)
- Shares purchased through reinvestment of capital gains distributions and dividend reinvestment when purchasing shares of the same fund (but not any other fund within the fund family)
- Shares exchanged from Class C (i.e. level-load) shares of the same fund in the month of or following the 10-year anniversary of the purchase date
- Employees and registered representatives of Merrill Lynch or its affiliates and their family members
- Directors or Trustees of the Fund, and employees of the Fund's investment adviser or any of its affiliates, as described in the prospectus
- Shares purchased from the proceeds of redemptions within the same fund family, provided (1) the repurchase occurs within 90 days following the redemption, (2) the redemption and purchase occur in the same account, and (3) redeemed shares were subject to a front-end or deferred sales load (known as Rights of Reinstatement)

CDSC Waivers on A and C Shares available at Merrill Lynch

- Death or disability of the shareholder
- Shares sold as part of a systematic withdrawal plan as described in the Fund's prospectus
- Return of excess contributions from an IRA Account

- Shares sold as part of a required minimum distribution for IRA and retirement accounts due to the shareholder reaching age 70½
- Shares sold to pay Merrill Lynch fees but only if the transaction is initiated by Merrill Lynch
- Shares acquired through a right of reinstatement
- Shares held in retirement brokerage accounts, that are exchanged for a lower cost share class due to transfer to certain fee based accounts or platforms (applicable to A and C shares only)

#### Front-end load Discounts Available at Merrill Lynch: Breakpoints, Rights of Accumulation & Letters of Intent

- Breakpoints as described in this prospectus
- Rights of Accumulation (ROA) which entitle shareholders to breakpoint discounts will be automatically calculated based on the aggregated holding of fund family assets held by accounts within the purchaser's household at Merrill Lynch. Eligible fund family assets not held at Merrill Lynch may be included in the ROA calculation only if the shareholder notifies his or her financial advisor about such assets
- Letters of Intent (LOI) which allow for breakpoint discounts based on anticipated purchases within a fund family, through Merrill Lynch, over a 13-month period of time (if applicable)

#### **RBC CAPITAL MARKETS, LLC (“RBC”)**

##### *Front-end Sales Load Waivers on Class A Shares available at RBC*

- Employer-sponsored retirement plans.

**The information disclosed in the appendix is part of, and incorporated in, the prospectus**

**PRIVACY NOTICE**  
**MUTUAL FUND SERIES TRUST**

Rev. July 2017

**FACTS**

**WHAT DOES MUTUAL FUND SERIES TRUST DO WITH YOUR PERSONAL INFORMATION?**

**Why?**

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some, but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

**What?**

The types of personal information we collect and share depends on the product or service that you have with us. This information can include:

- Social Security number and wire transfer instructions
- account transactions and transaction history
- investment experience and purchase history

When you are *no longer* our customer, we continue to share your information as described in this notice.

**How?**

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Mutual Fund Series Trust chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information:	Does Mutual Fund Series Trust share information?	Can you limit this sharing?
<b>For our everyday business purposes</b> - such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or report to credit bureaus.	<b>YES</b>	<b>NO</b>
<b>For our marketing purposes</b> - to offer our products and services to you.	<b>NO</b>	<b>We don't share</b>
<b>For joint marketing with other financial companies.</b>	<b>NO</b>	<b>We don't share</b>
<b>For our affiliates' everyday business purposes</b> - information about your transactions and records.	<b>NO</b>	<b>We don't share</b>
<b>For our affiliates' everyday business purposes</b> - information about your credit worthiness.	<b>NO</b>	<b>We don't share</b>
<b>For our affiliates to market to you</b>	<b>NO</b>	<b>We don't share</b>
<b>For non-affiliates to market to you</b>	<b>NO</b>	<b>We don't share</b>

**QUESTIONS? Call 1-844-223-8637**

***PRIVACY NOTICE***  
**MUTUAL FUND SERIES TRUST**

<b>What we do:</b>	
<b>How does Mutual Fund Series Trust protect my personal information?</b>	<p>To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.</p> <p>Our service providers are held accountable for adhering to strict policies and procedures to prevent any misuse of your nonpublic personal information.</p>
<b>How does Mutual Fund Series Trust collect my personal information?</b>	<p>We collect your personal information, for example, when you:</p> <ul style="list-style-type: none"> <li>• open an account or deposit money</li> <li>• direct us to buy securities or direct us to sell your securities</li> <li>• seek advice about your investments</li> </ul> <p>We also collect your personal information from others, such as credit bureaus, affiliates, or other companies.</p>
<b>Why can't I limit all sharing?</b>	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"> <li>• sharing for affiliates' everyday business purposes – information about your creditworthiness.</li> <li>• affiliates from using your information to market to you.</li> <li>• sharing for non-affiliates to market to you.</li> </ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

<b>Definitions</b>	
<b>Affiliates</b>	<p>Companies related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Mutual Fund Series Trust does not share with affiliates.</i></li> </ul>
<b>Non-affiliates</b>	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"> <li>• <i>Mutual Fund Series Trust doesn't share with non-affiliates so they can market to you.</i></li> </ul>
<b>Joint marketing</b>	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"> <li>• <i>Mutual Fund Series Trust doesn't jointly market.</i></li> </ul>



## **FOR MORE INFORMATION**

Several additional sources of information are available to you. The Statement of Additional Information (“SAI”), incorporated into this Prospectus by reference, contains detailed information on Fund policies and operations, including policies and procedures relating to the disclosure of portfolio holdings by the Funds’ affiliates. Annual and semi-annual reports contain management’s discussion of market conditions and investment strategies that significantly affected each Fund’s performance results as of the Fund’s latest semi-annual or annual fiscal year end.

Call the Funds at 1-844-ACFUNDS (1-844-223-8637) to request free copies of the SAI, the annual report and the semi-annual report, to request other information about the Funds and to make shareholder inquiries. You may also obtain this information from the Funds' internet site at [www.AlphaCentricFunds.com](http://www.AlphaCentricFunds.com).

You may review and copy information about the Funds (including the SAI and other reports) at the Securities and Exchange Commission (the “SEC”) Public Reference Room in Washington, D.C. Call the SEC at 1-202-551-8090 for room hours and operation. You also may obtain reports and other information about the Funds on the EDGAR Database on the SEC’s Internet site at <http://www.sec.gov>, and copies of this information may be obtained, after paying a duplicating fee, by electronic request at the following e-mail address: [publicinfo@sec.gov](mailto:publicinfo@sec.gov), or by writing the SEC’s Public Reference Section, Washington, D.C. 20549-0102.