



# AlphaCentric LifeSci Healthcare Fund

## LYFAX | LYFCX | LYFIX

Q3 2020

## Important Risk Information

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

*The Fund is a mutual fund with a limited history of operations for investors to evaluate. The Fund may be non-diversified and the value and/or volatility of a single issuer could have a greater impact on Fund performance. The Fund may be susceptible to an increased risk of loss due to adverse occurrences affecting the Fund more than the market as a whole, because the Fund's investments are concentrated. Some securities held by the Fund may be difficult to sell, or illiquid, particularly during times of market turmoil. The Funds can invest in smaller-sized companies which may experience higher failure rates than larger companies and normally have a lower trading volume than larger companies. The Funds can have risk associated with the biotechnology and pharmaceutical industry in which these companies may be heavily dependent on clinical trials with uncertain outcomes and decisions by the U.S. Food and Drug Administration. Companies in the technology industries have different risks including, but not limited to, products becoming obsolete, and entrance of competing products. Further, these companies are dependent on patent protection, and the expiration of patents may adversely affect the profitability of the companies. The Fund invests in IPOs at the time of the initial public offering and in post-IPO trading. IPOs are often subject to extreme price volatility and speculative trading. The ETFs in which the Fund invests are subject to advisory fees and other expenses as a result the cost of investing in the Fund will be higher than the cost of investing directly in the underlying funds. The Funds can have risk related to option investing. There are special risks associated with investments in foreign companies including exposure to currency fluctuations, less efficient trading markets, political instability and differing auditing and legal standards. All investments involve risks, including possible loss of principal, there is no assurance that the Fund will achieve its investment objective.*

## Important Risk Information (continued)

This presentation is prepared for internal communications only and shall not constitute an offer to sell or the solicitation of any offer to buy which may only be made at the time registration statement is filed. These securities shall not be offered or sold in any jurisdiction in which such offer, solicitation or sale would be unlawful until the requirements of the laws of such jurisdiction have been satisfied. While all the information prepared in this presentation is believed to be accurate, LifeSci Partners (collectively all LifeSci branded entities such as LifeSci Advisors, LLC, LifeSci Capital, LLC, etc.) and/or Phenomic Capital LLC (Phenomic) make no express warranty as to the completeness or accuracy nor can they accept responsibility for errors appearing in this presentation. Any projections, outlooks or assumptions should not be construed to be indicative of the actual events which will occur. This presentation is not intended for public use or distribution. Phenomic and LifeSci Partners are furnishing this presentation on a confidential basis. These materials may not be reproduced, either whole or in part, nor may the contents be disclosed to any third party.

The information provided herein, including, without limitation, investment strategies, investment restrictions and parameters, may be modified, terminated or supplemented at any time without further notice in a manner which LifeSci Partners and/or Phenomic believe is consistent with its overall investment objective.

The security holdings are presented to illustrate examples of the securities that the fund has bought and the diversity of areas in which the funds may invest and may not be representative of the fund's current or future investments. Portfolio holdings are subject to change and should not be considered investment advice.

## Fund Objective

The Fund's objective is to achieve long-term capital appreciation.

# Biotech Health Care Investing 2020: An Opportunity Not To Be Missed



Secular drivers propelled global healthcare spending to exceed \$8 trillion in 2019 with a **growth rate outpacing GDP**



Fundamental scientific breakthroughs provide an unprecedented foundation to create **new healthcare innovations**



Record healthcare capital markets activity setting the stage for a **healthcare technology boom**



The healthcare sector of the stock market has **the highest standard deviation of return of any major industry**, many companies appreciate 100+% while others fall 90+% placing pressure on stock selection



Healthcare technology development and commercialization is extraordinarily complex and **requires deep domain knowledge**



Portfolio Manager **Mark G. Charest, Ph.D.** is **uniquely positioned to identify opportunities** and understand the risks having been a co-inventor of an FDA approved pharmaceutical, inventor on 8 drug patents, successfully invested over \$500MM in private Biotech and HC Firms all while building and maintaining a worldwide network of industry insiders

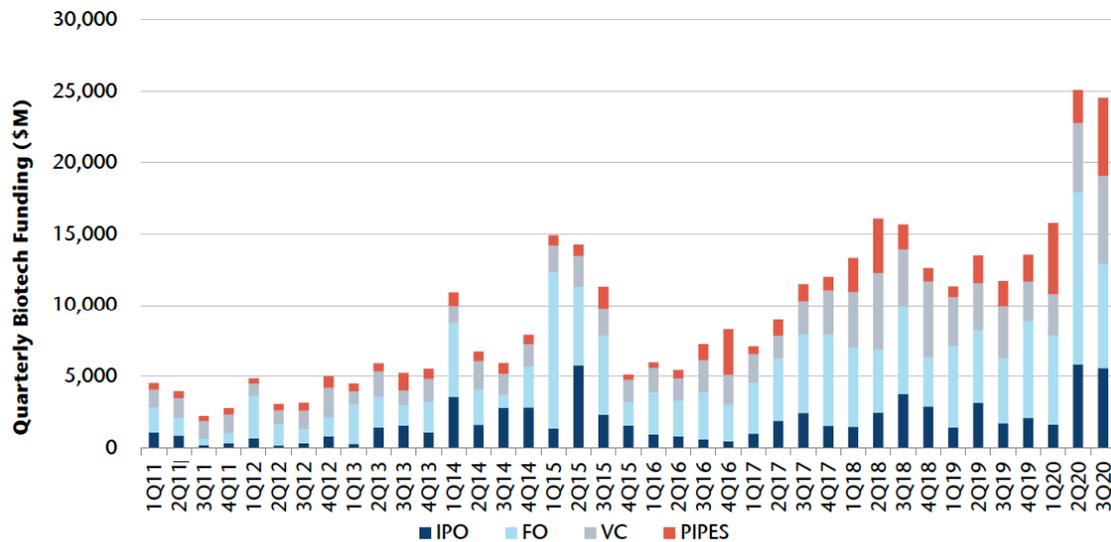
\*Source: Deloitte 2020 Healthcare Outlook

Past performance is not indicative of future results. Investment in the Fund involves risks and may not be suitable for all investors.

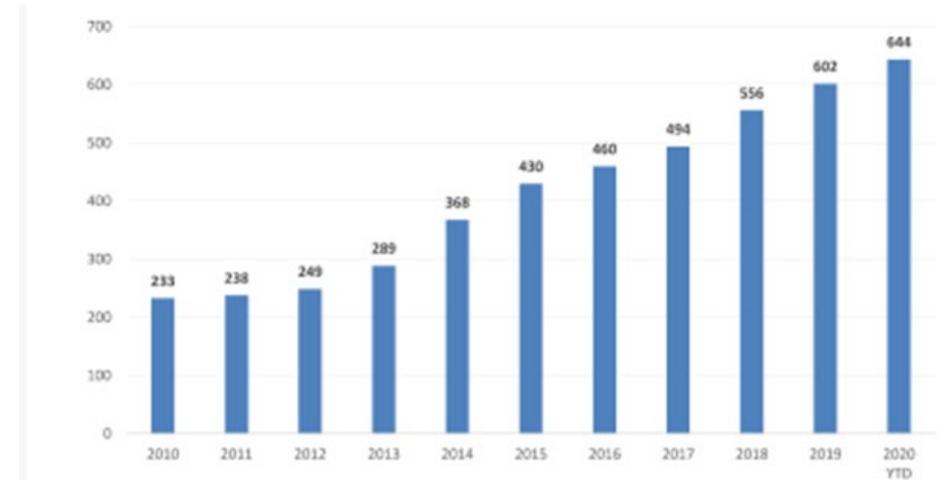
# Unprecedented biotech capital markets activity has empowered innovation on a scale never before seen in the history of the industry.

*Record levels of capital are chasing healthcare innovators leading to record numbers of listed companies*

## 2/3Q20 Biotech Funding Reached All-Time record of \$50B



## Record Number of US Public Biotech Companies in 2020

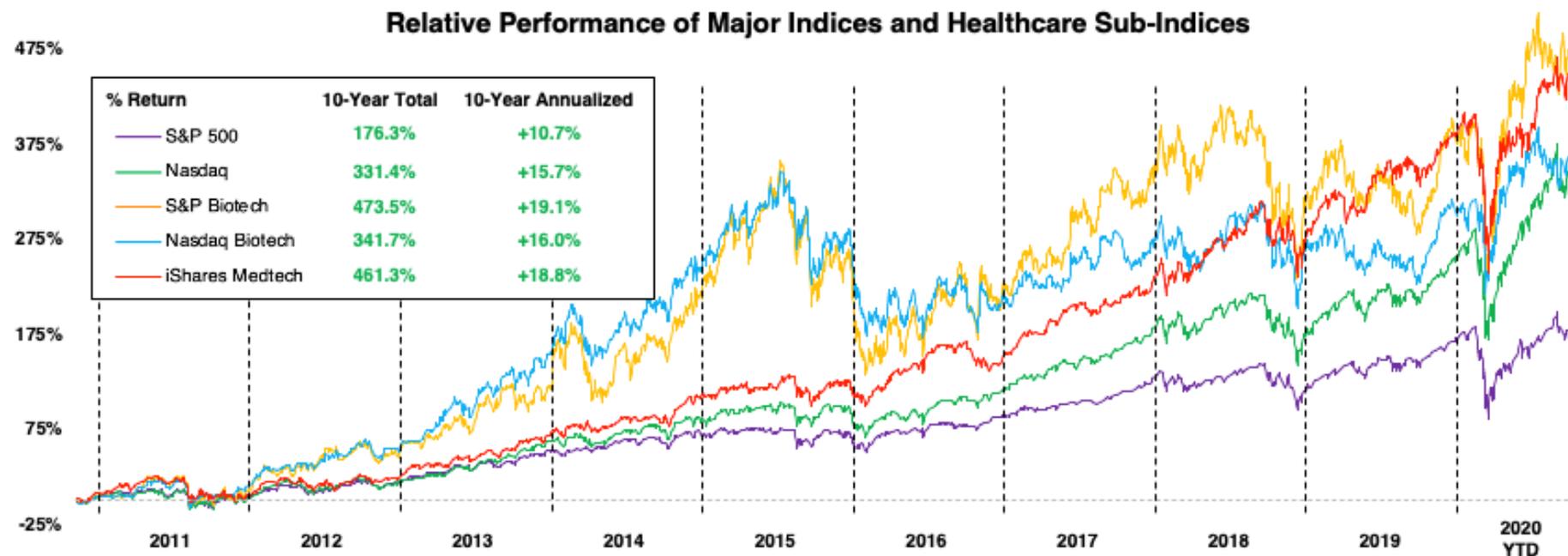


Source: Jefferies estimates, Company reports

Source: Factset, Jefferies LLC

# Stronger Than The S&P Bull Without FAANG?

- Biotech and Medtech subsectors absolute and relative performance has been exceptional
- Major subsectors have all outperformed the NASDAQ, with relative sector performance deviating significantly over time



\*Sources: LifeSci Capital Analysis using Dealogic, Capital IQ as of 11/4/2020

# Biopharma provides exceptional opportunity....

*Many companies appreciate 100+% while others fall 50+%, but unlike FAANG its not always obvious who the winners and losers will be...*

Exceptional biotech stock performance by year					
	2020 through 3Q	2019	2018	2017	2016
Number of biotech stocks up >100%	77	92	20	63	33
Number of biotech stocks down >50%	20	17	22	8	5

**“With healthcare serving as a leading global industry sector, and the continuation of innovative products brought to market, it’s important to have access to experience opinion leaders with scientific knowledge to truly understand the sector and its opportunities for investment.”**

*Mark Charest, Ph.D., Portfolio Manager*

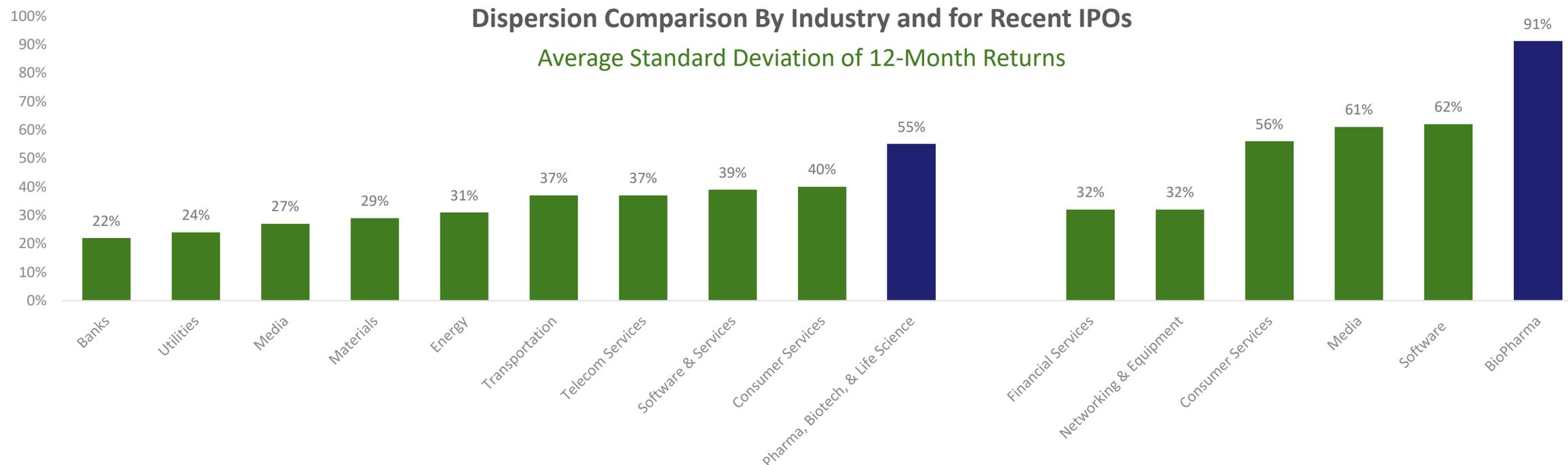
\*Source: LifeSci VC Biotech IPOs: Outliers, Value Creation, and the Dispersion of Returns. Dispersion analysis from 2014 with all companies with Mcap >\$200M. IPOs include n=159 companies trading through the end of 2016 that have not been acquired or shutdown.

\*\*Source: LifeSci Capital analysis, all currently listed biotech companies with Market Cap >\$250m, excludes companies that have gone bankrupt.

## ...but it requires active management

**Healthcare has the highest return dispersions of any major industry group placing a premium on active management\***

- Biopharma had the highest return dispersions of any sector in 2014\*
- Trend holds for the decade 2005-2014 as well\*



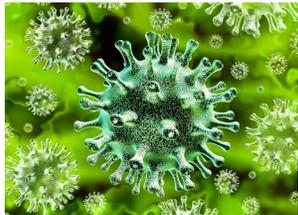
**Asset Managers need more than strong fundamental financial analytics to understand the sector and technology**

\*Source: LifeSci VC Biotech IPOs: Outliers, Value Creation, and the Dispersion of Returns. Dispersion analysis from 2014 with all companies with Mcap >\$200M. IPOs include n=159 companies trading through the end of 2016 that had not been acquired or shutdown. NOTE: This information is dated. Newer information may alter this assessment.

The security holdings are presented to illustrate examples of the securities that the fund has bought and the diversity of areas in which the funds may invest and may not be representative of the fund's current or future investments. Portfolio holdings are subject to change and should not be considered investment advice.

# AlphaCentric LifeSci Healthcare Fund: The Opportunity

*Warp Speed Development of COVID-19 Diagnostics, Therapeutics and Vaccines Highlight the Innovative Power of the Healthcare Industry*



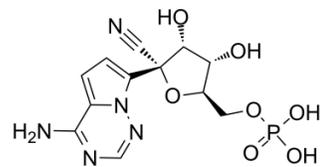
January 11 Virus sequence identified; diagnostic tests available within days of sequence publication



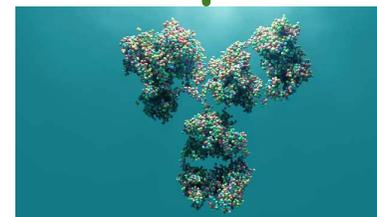
May 18 Moderna Announces Positive Phase 1 Data for its mRNA Vaccine Against Novel Coronavirus



Q4 2020 Phase 3 COVID vaccine data expected



May 1 Gilead Sciences announces Remdesivir approved for emergency use treatment of COVID-19



September 29 Regeneron Announces Positive REGN-COV2 Antibody Cocktail Data

# AlphaCentric LifeSci Healthcare Fund

*Fund managed through hands-on medical and scientific research coupled with vast investment experience*

## Investment Strategy:

- Fundamental, thesis-driven investments in the healthcare sector across market cap spectrum
- Science-driven innovators addressing critical unmet medical needs and robust revenue / cash flow growth companies are emphasized
- May invest in IPOs, structured deals and private placements
- Thematic areas on focus include molecularly targeted oncology therapies, inflammation / immune treatments, cell / gene therapy, and precision medicine

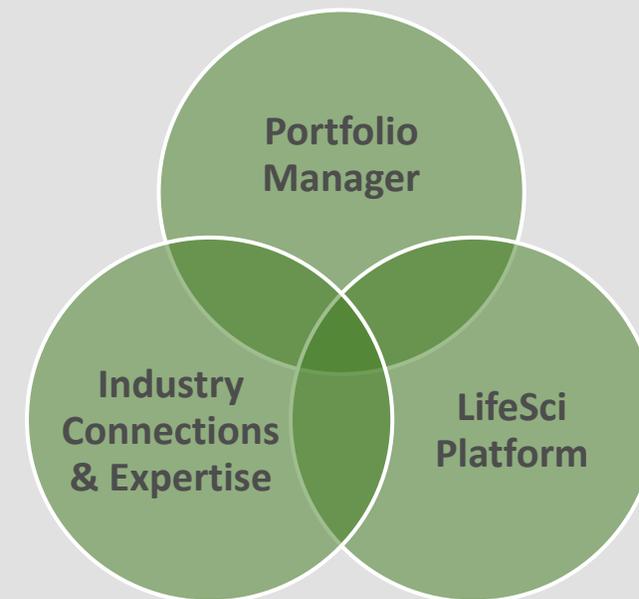
## Investment Process:

- Broad tracking of healthcare company Universe (500+ companies with >\$1 Trillion aggregate market cap)
- Proprietary primary research gathers Key Opinion Leader Insights to identify innovative thematic areas
- Proprietary financial metrics analytics dashboard used to identify robust growth opportunities
- Fundamental bottom-up research on roughly 200 company watch list
- Ongoing contact with management teams and Key Opinion Leader community to validate ideas
- Thesis-driven price targets for entry and exit points. Relative risk / reward analysis determines position size and subsector exposure
- Results in a portfolio of 30-60 names

*Well-positioned to capture growth and manage exposures*

There is no assurance that the Fund will achieve its investment objective.

The Fund's objective is to achieve long-term capital appreciation through fundamental, thesis-driven stock selection.



# AlphaCentric LifeSci Healthcare Fund: Management

## Portfolio Manager

*Mark G. Charest, Ph.D. has more than a decade of past healthcare investment experience at several leading \$1B+ AUM funds.*

- ▶ Ph.D. and M.S. in Chemistry and Chemical Biology from Harvard University
- ▶ 10+ year career as a healthcare investor at several specialized \$1B+ AUM healthcare fund managers
- ▶ Portfolio Manager at New Leaf Venture Partners , Kauffman Fellow at Panorama Capital
- ▶ Led Medicinal Chemistry Lab at the Novartis Institutes for BioMedical Research focused on Oncology drug discovery
- ▶ National Science Foundation Graduate Research Fellow
- ▶ Inventor on 8 drug patents, co-inventor of FDA-approved therapeutic

## Advisor

- ▶ **AlphaCentric** is focused on new innovations and ideas to create differentiated mutual funds unlocking access for retail clients.

## Subadvisor

- ▶ **LifeSci Fund Management**, an independent division of LifeSci Partners
- ▶ Led by Dr. Charest, created to manage the fund and leverage insights curated across the global LifeSci Partners platform
- ▶ Dr. Charest has collaborated with LifeSci Partners for more than a decade

# LifeSci Fund Management: The Solution

- LifeSci Fund Management synthesizes knowledge and insights across the global LifeSci Partners Platform to enhance fundamental diligence activities
- Founded in 2009, LifeSci Partners is a leading provider of strategic healthcare advisory services in the areas of Investor Relations, Communications, Venture Investing, Partnering & Analytics, Capital Market Services, and Executive Search.
- 12-member research team, 500+ publications annually, typically host events with leading academic and medical thought leaders at every major medical conference across the globe
- 20+ Ph.D.s and M.D.s across the platform
- In 2019, LifeSci hosted more than 5,000 corporate meetings, 140 KOL events and 30 C-suite placements



LifeSci Advisors

LifeSci Communications

LifeSci Search

LifeSci Partnering & Analytics

LifeSci Venture

LifeSci Capital

# AlphaCentric LifeSci Healthcare Fund: Quarterly Performance | Q3 2020

AlphaCentric LifeSci Healthcare Fund (LYFIX)	QTD	YTD	Inception (11/29/2019)
Class I	8.96	21.34	22.80
Class A	8.87	21.13	22.70
Class C	8.96	21.22	22.80
S&P Biotechnology Select Industry Total Return Index	-0.55	17.08	19.21
S&P 500 Health Care Sector TR Index	5.87%	5.01%	8.78%
Class A with Sales Charge	2.59	14.14	15.65

**Past performance does not guarantee future results and there is no assurance that the Fund will achieve its investment objective.**

The maximum sales charge for Class “A” Shares is 5.75%. Performance is historic and does not guarantee future results. The advisor has contractually agreed to waive fees and/or reimburse expenses to maintain the Fund's total annual operating expense ratio at 2.61%, 3.36%, and 2.36% for Class A, C, and I shares respectively excluding 12-b1 fees through July 31, 2021. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance information or the funds prospectus please call the fund 1-844-ACFUNDS (844-223-8637). You can also obtain a prospectus at [www.AlphaCentricFunds.com](http://www.AlphaCentricFunds.com).

# AlphaCentric LifeSci Healthcare Fund: Performance Statistics | Q3 2020

## Performance & Risk Statistics (9/30/20)

	LYFIX	S&P Biotechnology Select Industry Total Return Index	S&P 500 Health Care Sector TR Index
Cumulative Return	22.80%	19.20%	8.78%
Annualized Return	22.80%	19.20%	8.78%
Standard Deviation	15.84%	30.82%	17.85%
Sharpe Ratio (RF 0.1395%)	1.43	0.62	0.45
Risk-Free Rate	0.0966%	--	--
Alpha	16.32%	--	--
Beta	0.33	--	--
R-Squared	0.51	--	--

Past performance does not guarantee future results and there is no assurance that the Fund will achieve its investment objective.

## About AlphaCentric

*AlphaCentric is intentionally situated at the intersection where stewards of capital and investment expertise meet – this is where we discover the future of investing.*



**Alpha-Focused:** we create alpha-driven investment portfolios not typically offered via passive ETFs, large fund companies or other retail investment managers



**Independent Innovators:** AlphaCentric partners with innovative, independently owned boutique investment managers to offer unfiltered insights resulting in differentiated funds



**Distinctive Portfolios:** our funds are designed to fulfill unmet investor needs, often granting access to strategies typically reserved for institutional investors

***Invested in Innovation***

# AlphaCentric Fund Lineup

*Seven distinct, solution-oriented portfolios designed to meet the unique needs of advisors and investors*

Fund	Benchmark	Sub-advisor	Inception
Income Opportunities Fund (IOFIX)	Barclays U.S. Aggregate Bond TR Index	Garrison Point Capital, LLC	5/28/15
LifeSci Healthcare Fund (LYFIX)	S&P Biotechnology Select Industry Total Return Index	LifeSci Fund Management	11/29/2019
Premium Opportunity Fund (HMXIX)	S&P 500 TR Index	AlphaCentric Advisors	9/1/11 (Class I) 9/30/16 (Class A & C)
Prime Meridian Fund (PMIFX)	Bloomberg Barclays U.S. High Yield Corporate Bond Index	Prime Meridian Capital Management	10/1/2019
Robotics and Automation Fund (GNXIX)	MSCI ACWI TR Index	Contego Capital Group, Inc	5/31/2017
Symmetry Strategy Fund (SYMIX)	3-Month Treasury Bill Index	Mount Lucas Management LP	9/1/14 (Class I) 8/9/19 (Class A & C)
Municipal Opportunities Fund (MUNIX)	Bloomberg Barclays Municipal Bond Index TR Value Unhedged USD	R&C Investment Advisors and Mount Lucas Management	12/31/2019

# Contact Us

## Executive Summary

### AlphaCentric LifeSci Healthcare Fund

**LYFAX | LYFCX | LYFIX**

#### Fund

- Fundamental, thesis-driven investments in the healthcare sector informed by proprietary primary research
- Science-driven innovators addressing high unmet medical needs and robust growth companies are emphasized
- May invest in IPOs and mezzanine financing offerings
- LYFIX YTD Performance +11.96% vs -0.88% for S&P 1500 Health Care TR Index

#### Global Platform

- Portfolio Manager Mark G. Charest, Ph.D. has more than a decade of institutional healthcare investing experience
- LifeSci Partners platform has 100+ experienced investment and science professionals including 20+ Ph.D.s and MDs in New York City, Boston, Philadelphia, London, Geneva, Paris and Tel Aviv



#### Financial Advisor

**Direct Dial 401-287-2453**



**[info@alphacentricfunds.com](mailto:info@alphacentricfunds.com)**

AlphaCentric Funds  
53 Calle Palmeras  
Suite 601  
San Juan, PR 00901



**[www.AlphaCentricFunds.com](http://www.AlphaCentricFunds.com)**