AlphaCentric Prime Meridian Income Fund
Quarterly Commentary 4Q2020

PMIFX

December 31, 2020 — Fund performance in the fourth quarter of 2020 was positive (0.68%) for the AlphaCentric Prime Meridian Income Fund ("the Fund") and its comparable indexes. Performance in credit markets was constructive during the period thanks to further economic recovery, fiscal stimulus, and positive investor sentiment.

Fund Performance as of 12/31/20 (Annualized if greater than 1 year)

*Inception Date: 12/31/19**	QTD	6 Months	YTD	Inception
Class I	0.68	4.92	8.06	8.06
Bloomberg Barclays U.S. High Yield Corporate Bond Index	1.88	11.34	7.11	7.11
Bloomberg Barclays U.S. Credit 1-3 Year Index (USD)	0.13	1.10	3.69	3.69

*Inception: The Fund's inception date was 10/01/19 but the Fund first began to invest assets on 12/31/19, which the data in the above table reflects.

Expense Ratio: Net 2.97% | Gross 4.33%

The Advisor has contractually agreed to limit certain fees and expenses until January 31, 2022.

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%. Past performance is no guarantee of future results. Investment return and principal value will fluctuate with changing market conditions so that when redeemed, shares may be worth more or less than their original cost. Current performance may be lower or higher than the performance data quoted. To obtain the most recent month end performance or the funds prospectus please visit www.AlphaCentricFunds.com, or call toll free at 1-844-ACFUNDS (844-223-8637).

Market Overview

As measured by GDP, it is expected that the economy expanded in the fourth quarter at an annual rate of 4%, the second consecutive quarter of improvement since the disastrous second quarter, when the pandemic hit. The economic momentum was fueled by ongoing monetary stimulus by the Federal Reserve as well as a much anticipated second round of fiscal stimulus from Congress in late December, confirming investor expectations. Adding to the positive sentiment were the newly approved COVID-19 vaccines that began to be administered in December.

Fund Overview

The quarter was the Fund's fourth consecutive profitable quarter, with positive performance coming from both of the Fund's significant positions in consumer and real estate bridge loans. These two loan types comprised the majority of the Fund's assets, with the remainder held in cash and cash equivalents.

"Performance of **consumer loans**, which made up roughly 44% of the Fund's assets at the end of the year, continued to be good..."

Performance of consumer loans, which made up roughly 44% of the Fund's assets at the end of the year, continued to be good thanks to a combination of factors such as above-average consumer savings, fiscal stimulus, and proactive hardship programs that helped borrowers through the difficult year. These factors aided overall delinquency and default rates in the industry and the Fund's portfolio, which remained below what would normally be expected during a recession. Also helping performance was the ability to opportunistically purchase new loans at favorable terms. During the period, the Fund's consumer loan portfolio was made up of hundreds of individual domestic loans across prime, near prime and emerging consumer loan types. At the end of the period the Fund's

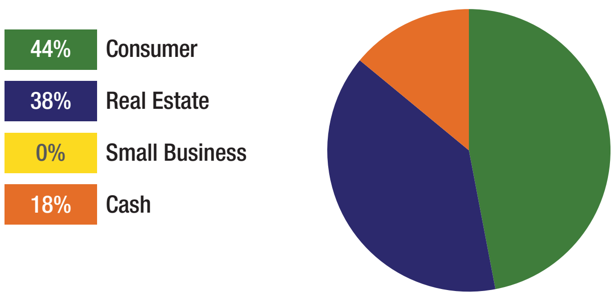
Above-average consumer savings, fiscal stimulus & proactive hardship programs helped borrowers through the difficult year

individual consumer loans have an average weighted FICO of 694 across both traditional prime and near prime loan holdings (near prime being defined as loans with FICO scores between 620 and 659). The average weighted FICO further increased since last quarter, reflecting a gradual shift to more prime loans where our recent buying has been focused. Additionally, within the consumer asset class PMIFX had exposure to a portfolio of domestic emerging creditor loans originated by an innovative loan originator with digital banking services.

Roughly 38% of the Fund's assets were invested in dozens of first lien real estate bridge loans. These loans were geographically diversified singlefamily (50%) and multi-family loans (50%) loans, principally used to rehab these properties, and were also used for refinancing and construction purposes. All together they had a weighted average loan to value of less than 65%.

As of December 31st, the Fund's portfolio had a McCauley duration of just under 11 months and a 31+ day delinquency rate of 3.29%. PMIFX's holdings overall saw a decrease in loan delinquencies during the quarter, consistent with expectations for loan performance during economic recovery periods.

Investment Allocation (Market Value) as of 12/31/20



> "We remain pleased with PMFIX's performance to date and believe the Fund is a quality, value added holding for a **diversified investment portfolio**."

Outlook

We expect the domestic economy to continue to improve in 2021, for monetary and fiscal policy to remain supportive, and for interest rates to remain low. This scenario favors credit investments, and the holdings in the Fund specifically, as credit quality general improves and reduces repayment risk. We also believe credit as an asset class remains attractive relative to other asset classes as valuations are generally less stretched at this point in time. We expect the Fund's portfolio to continue to perform in this scenario from the high income, short duration characteristics of its holdings, and we plan to opportunistically add to existing exposures in both consumer and real estate loans in the first quarter of 2021.

We remain pleased with PMFIX's performance to date and believe the Fund is a quality, value added holding for a diversified investment portfolio. α

Important Risk Information

INVESTING IN THE FUND INVOLVES A HIGH DEGREE OF RISK, INCLUDING THE RISK THAT YOU MAY RECEIVE LITTLE OR NO RETURN ON YOUR INVESTMENT OR THAT YOU MAY LOSE PART OR ALL OF YOUR INVESTMENT. THIS IS A CONTINUOUSLY-OFFERED, NON-DIVERSIFIED, CLOSED-END INTERVAL FUND AND IS NOT INTENDED TO BE A TYPICAL TRADED INVESTMENT. LIMITED LIQUIDITY IS PROVIDED TO SHAREHOLDERS ONLY THROUGH THE FUND'S QUARTERLY REPURCHASE OFFERS FOR NO LESS THAN 5% OF THE FUND'S SHARES OUTSTANDING AT NET ASSET VALUE. REGARDLESS OF HOW THE FUND PERFORMS, THERE IS NO GUARANTEE THAT SHAREHOLDERS WILL BE ABLE TO SELL ALL OF THE SHARES THEY DESIRE IN A QUARTERLY REPURCHASE OFFER.

There currently is no secondary market for the Fund's shares and the Fund expects that no secondary market will develop. Shares of the Fund will not be listed on any securities exchange, which makes them inherently illiquid.

Investing involves risk. The Fund will invest in Marketplace Lending Instruments which are generally not rated and constitute a highly risky and speculative investment, similar to an investment in "junk" bonds. Below-investment-grade ("high yield" or "junk") bonds are more at risk of default and are subject to liquidity risk. There can be no assurance that payments due on underlying Marketplace Loans will be made. The Shares therefore should be purchased only by investors who could afford the loss of the entire amount of their investment.

Many of the Fund's investments are associated with loans that are unsecured obligations of borrowers. This means that they are not secured by any collateral, not insured by any third party, not backed by any governmental authority in any way and, except in the case of certain loans to businesses, not guaranteed by any third party.

Distressed credit investments are inherently speculative and are subject to a high degree of risk. Leverage (borrowing) may be considered speculative and involves transaction and interest costs on amounts borrowed, which may reduce performance. The Fund is classified as "non-diversified" and may invest a greater portion of its assets in the securities of a single issuer.

Key Definitions

Bloomberg Barclays U.S. Credit 1-3 Year Index: Measures the performance of investment grade, US dollar-denominated, fixed-rate, taxable corporate and government-related debt with 1 to 2.9999 years to maturity. It is composed of a corporate and a non-corporate component that includes non-US agencies, sovereigns, supranationals and local authorities.

Bloomberg Barclays US Corporate High Yield Bond Index: Measures the USD-denominated, high yield, fixed-rate corporate bond market. There is no assurance that the Fund will achieve its investment objective. You cannot invest directly in an index. Unmanaged index returns do not reflect fees, expenses or sales charges.

All data is as of the most recent quarter-end other than the annual return which is annualized. **Delinquency**: The percentage of loans within a financial institution's loan portfolio whose payments are delinquent. When analyzing and investing in loans, the delinquency rate is an important metric to follow; it is easy to find comprehensive statistics on the delinquencies of all types of loans.

Duration: A measure of the sensitivity of the price of a bond or other debt instrument to a change in interest rates.

McCauley Duration: The weighted average term to maturity of the cash flows from a bond. The weight of each cash flow is determined by dividing the present value of the cash flow by the price. Macaulay duration is frequently used by portfolio managers who use an immunization strategy.

Investors should carefully consider the investment objectives, risks, charges and expenses of the AlphaCentric Funds. This and other important information about the Fund is contained in the prospectus, which can be obtained by calling 844-ACFUNDS (844-223-8637) or at www.AlphaCentricFunds.com. The prospectus should be read carefully before investing.

The Fund is distributed by Foreside Fund Services, LLC

Prime Meridian Capital Management

Don Davis
Portfolio Manager

Investment Sub-Advisor
LifeSci Fund Management

Portfolio Manager
Don Davis

- Portfolio Manager since Fund inception
- Managing Partner and Lead Portfolio Manager of Prime Meridian Capital Management
- Served as Principal and Portfolio Manager of Prime Meridian since 2012

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